ENGLISH FOR THE FINANCIAL SECTOR

TYPES OF BANKS

Well 25 years ago, the financial Industries in most countries had two key characteristics one was the pretty well all the banks and financial institutions in that country were owned in that country and there were few international links, in many cases none, so they were national banks belonging to that country. The other key feature was the financial institutions were specialized. So in Britain we had institutions that lend to people who wanted to borrow to buy houses that mean arranging mortgages, so we had specialized things called building societies doing that. We had retail banks were individuals and companies kept bank deposits and which made loans to cover short-term outlays {desembloso a corto plazo} and in some cases in longer- term investment. Then we had another range of institutions like insurance companies to provide life insurance or pensions and we had investment banks sometimes called merchant banks. These weren’t retail banks they didn’t deal with individuals, they dealt with big companies. They gave companies financial advice, maybe arranging mergers fighting off a takeover bid {oferta publica de adquisicion} and helped to raise capital, for example by issuing shares or bonds.

INERNACTIONAL

In the old days in Britain the merchants or investment banks were pretty well all British and there were big boundaries between buildings societies and insurance companies and all these other types of companies. Well now if you look at the picture many banks have become Universal bank perhaps banks is the wrong word , lots of institutions do all the things that I’ve just described insurance, mortgages, advice, raising capital for companies and retail banking besides. And the other great change is that so many of the financial institutions and it’s not just true of Britain true pretty much everywhere else are now international. So for example in Britain two of the big four retail banks have changed ownership, one was taken over by Hong Kong and Shanghai BANK that was the Midland Bank previously and it’s now changed its name to Hong Kong and Shanghai Bank and it really isn’t a British Bank anymore. And another Nash and Westminster was taken over by the Royal Bank of Scotland. But if you look at and say countries like Czech Republic or Hungary or Poland or New Zeeland too and plenty other small countries around the world all are financial institutions pretty well and now owned by foreigners by German companies or French companies or Austrian companies whatever it might be. And the huge international financial institutions are typically; though not all of them American and you can now think of the City of London, the world’s leading center for foreigner exchange dealings and a great deal of Finance is rather like Wimbledon. In other words is a great big international stage happens to be in London but most of the players are foreign. There are nearly all foreign companies that do for example the Investment Banking and so many other things. So internationalization and if you like modernization of these hitherto specialized financial institutions. Those are the two big recent trends.