

*University of Mujahid Abdelhafid Boussouf – Mila*

*Faculty of Economics, Commercial & Management Sciences*

*Departement Of Tronc Commun*

*Lectures On : English economic terminology*

*Addressed To 1st Year Students – 2nd Semester*

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# ***Banking terminology***

## **Introduction**

Banking is the business of accepting deposits, providing loans, and offering financial services. Understanding banking terminology is essential for anyone working in finance or economics.

## **1. Definition of Bank**

A **bank** is a financial institution that accepts deposits from individuals and businesses, provides loans, and offers a variety of financial services such as payment processing, investment, and wealth management. Banks act as intermediaries between savers, who deposit money, and borrowers, who need funds for personal or business purposes.

So a bank is a financial institution that acts as an intermediary between savers and borrowers.

**Banking** refers to the business activity of accepting deposits, lending money, and providing financial services to individuals and firms.

## **2. Main Types of Banks**

There are several types of banks, including:

- **Central Bank:** The authority responsible for monetary policy and controlling money supply (e.g., bank of Algeria).
- **Commercial Bank:** A bank that provides services like deposits, loans, and checking accounts.
- **Investment Bank:** Helps companies raise capital and provides advisory services.
- **Islamic Bank:** Operates according to Sharia law (no interest).

## **3. Main Banking Activities**

Some of the most important functions of banks are:

- **Accepting Deposits**
  - ✓ Savings accounts.
  - ✓ Current accounts.
  - ✓ Fixed deposits.
- **Lending Activities**
  - ✓ Personal loans.
  - ✓ Business loans.
  - ✓ Mortgages.
- **Payment Services**
  - ✓ Debit cards.
  - ✓ Credit cards.
  - ✓ Electronic transfers.

#### 4. Importance of Banking

Banks play a crucial role in the economy by facilitating financial stability, growth, and development. Their importance can be summarized as follows:

- ✓ Facilitates trade and investment ;
- ✓ Supports economic growth ;
- ✓ Provides financial security ;
- ✓ Implements monetary policy.

#### 5. Common Banking Terms

Mastering these terms is crucial for understanding financial systems and performing in banking-related professions.

##### ➤ Deposits and Accounts

- ✓ **Deposit** : Money placed into a bank account.
- ✓ **Withdrawal** : Taking money out of an account.
- ✓ **Balance** : The amount of money in an account.
- ✓ **Savings Account** : Earns interest, used for saving money.

##### ➤ Payment Instruments

- ✓ **Cheque (Check)**: Written order to pay money.
- ✓ **Debit Card**: Direct payment from a bank account.
- ✓ **Credit Card**: Borrowed funds used for payments.
- ✓ **Wire Transfer**: Electronic transfer of money between banks.

##### ➤ Loans and Credit

- ✓ **Loan** : Money borrowed that must be repaid with interest.
- ✓ **Mortgage** : A loan used to buy real estate.
- ✓ **Credit** : The ability to borrow money.
- ✓ **Collateral** : An asset pledged as security for a loan.

##### ➤ Banking Policies and Economics

- ✓ **Interest Rate**: Cost of borrowing money or reward for saving.
- ✓ **Liquidity**: Bank's ability to meet short-term obligations.
- ✓ **Monetary Policy**: Central bank actions to control money supply.
- ✓ **Inflation**: General rise in prices over time.
- ✓ **Credit Risk**: Risk of borrower default.

##### ➤ Modern Banking Trends

- ✓ **Digital Banking**: Online access to bank accounts.
- ✓ **Mobile Banking**: Banking via smartphones.
- ✓ **FinTech**: Financial technology innovations (e.g., digital wallets, online loans).
- ✓ **Blockchain & Crypto**: Emerging payment systems.

## English-Arabic banking terms

English Term	Arabic Translation	English Term	Arabic Translation
Bank	بنك	bank account	الحساب البنكي
Central Bank	البنك المركزي	bank book	دفتر الحساب البنكي
Commercial Bank	بنك تجاري	bank note	الورقة البنكية
Investment Bank	بنك استثماري	banking vacation	عطلة بنكية
Islamic Bank	بنك إسلامي	bankruptcy	افلاس
Deposit	إيداع	bill	كمبيالة
Withdrawal	سحب	bond	سند ضمان
Balance	رصيد	checking account	حساب جاري
Loan	قرض	currency in circulation	عملة متداولة
Credit	ائتمان	effective interest rate	معدل الفائدة الفعلية
Overdraft	السحب على المكشوف	income bond	سند الدخل
Online Banking	الخدمات المصرفية عبر الإنترنت	loan collateral	ضمان القروض
Bank Transfer	تحويل بنكي	payment	الدفع
Borrower	مقترض	unaccepted check	شيك غير مقبول
Lender	مقرض	credit cards	بطاقة ائتمانية
Credit Risk	مخاطر الائتمان	customer satisfaction	رضا العميل
Liquidity	سيولة	exchange price	سعر الصرف
Monetary Policy	السياسة النقدية	real estate mortgage	رهن عقاري
Operational Risk	مخاطر تشغيلية	Default	تعثر / عدم السداد

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