

UNIT 1 – The organization of the financial industry

- Mortgage= a loan to buy property
- Deposit= money you put in the bank
- Pension= money paid to a retired person
- Shares= units of ownership of a company (securities representing part-ownership of a company)
- Stocks= securities representing part-ownership of a company (a company issues stocks and you buy shares)
- Capital= the money invested in a business
- Bonds= interest-paying securities issued by companies that need to borrow money
- Takeover= when a company gains control of another one by buying its stocks
- Merger= when two formerly separate companies join together
- Conglomerates= groups of companies that have joined together
- Depositors= people who place money in bank accounts
- Deregulated= abolished or ended rules and restrictions
- Fines= sums of money paid as penalties for breaking the law
- Prohibited= made it illegal to do something
- Regulation= control of something by rules or laws
- Repealed= cancelled or ended (a law) – [*abrogare*]
- Underwriting= guaranteeing to buy a company's newly issued stocks if no one else does (=a process through which an individual or institution takes on financial risk for a fee)
- ❖ Retail banks:
 - Receiving deposits
 - Making loans
- ❖ Building societies:
 - Arranging mortgages
- ❖ Insurance companies:
 - Providing pensions
 - Offering life insurance
- ❖ Investment banks:
 - Giving financial advice to companies
 - Arranging mergers
 - Arranging or fighting takeover bids
 - Issuing shares or bonds

UNIT 5 – loans and credit

Debt finance (borrowing money: loans and issue of bonds) and Equity finance (issue new shares) are the two main ways in which large companies and corporations raise money.

If a bank as a higher credit risk is because they lend money to riskier institutions.

Banks have a form of income from large companies: they get a fee when they issue companies' bonds for them.

- Credit risk [=the probability of a financial loss resulting from a borrower's failure to repay a loan]

- Debt finance = issue corporate bonds to raise capital → disintermediation = the process cut out the intermediary (bank) between the borrower and the lenders – it is a way to raise money directly from the public / institutional investors (e.g. insurance companies and pension funds)
- Equity finance = issue new shares on the stock market (a way to raise capital)
- Financial instruments
- Financial performance
- Financial situation
- Interest payments (yield= the rate of return a bond generates; coupon= the rate of interest the bond pays annually)
- Interest rating
- Investment rating [indicates the credit risk – it reflects the financial situation and performance of a company]
- Maturity date
- Tradeable instruments [=securities, assets and contracts that can be traded]
- 1. Bondholders get interest payments until the bond's maturity date.
- 2. Because bonds are tradeable instruments you can sell them at any time, but their price will depend on the company's financial performance and the level of interest rates.
- 3. Only companies with hardly any credit risk get a AAA investment rating.
 - EBIT= abbreviation for a company's earnings before interest and taxes
 - Portfolio= all the securities and financial assets held by a financial institution or an individual
 - Credit rating= an evaluation of a borrower's ability to pay interest and pay back a loan in the future
 - Collateral= something of value that secures a loan or other credit; if the borrower cannot repay, the lender can sell it to pay off the loan
 - Maturity= the date on which a loan must be repaid, or the length of time until this date
 - Margin= the difference between the interest rate a lender pays and the rate it charges its borrowers
 - Overhead costs (/overheads) = the expenses of operating a business that are not directly related to individual products or services (e.g. electricity, telephones, administrative costs)
 - Credit limit= the maximum amount that a bank will lend to customer
 - Operating cash flow= the money generated from a business's normal activity
 - Cost of funds= the price (interest rate) that a financial institution must pay for the use of money
 - To secure a loan= procure it
 - To go bust= to go bankrupt

UNIT 7 – Accounting (non fatta tutta in classe)

- Assets= anything owned by a company – cash, buildings, machines, etc.
- Tax accounting= calculating how much tax an individual or a company should pay – or trying to reduce this figure
- Financial accounting= keeping financial records and preparing financial statements
- Cost accounting= determining the unit cost of a manufactured product, including indirect costs
- Bookkeeping= recording transactions (purchases and sales) in ledgers [=registri]
- Liabilities= money that a company will have to pay to someone else – bills, debts, interest, taxes, etc.
- Auditing= checking and evaluating financial records
- Income= the money that a company receives from supplying goods or services
- Expenditure= the money that a company spends

- Management accounting = the use of a company's accounting data by its managers for planning and control
 - Bookkeepers= do the boring work – recording transactions in purchase ledgers and sales ledgers
 - Management accountants= interpret the transaction recorded by bookkeepers [?]
 - Senior accountants at financial controller and director level = use accounting data to make decisions about how the business should proceed [?]
 - Internal auditing= is about making sure that the management has sufficient control over what is going on in the company
 - External auditors= have to verify that a company's published financial statements give a true and fair view of its profit, its assets and its liabilities
- Income statement → profit and loss account
- Balance sheet
- Fund flow statement → cash
- 📌 Commission = a charge for arranging a transaction
- 📌 Fee= a charge for a service performed by a bank
- 📌 Premiums= payments for an insurance policy
- 📌 Amortization = a reduction in the value of an asset, charged against profits
- 📌 Net = adjective meaning after all deductions have been made
- 📌 Consolidated = adjective meaning for a whole group of companies
- 📌 Short-term= adjective meaning one year or less in financial statements
- 📌 Minority interests= part-ownership (less than 50%) of other companies
- 📌 Intangible assets = things of value that cannot be physically touched, such as reputation (goodwill), brand names and trademarks
- 📌 Shareholders' equity= the net worth of a company – the amount by which assets exceed liabilities

Talking about figures

In British English, *and* is used after *hundred* when saying figures. In American English it is not.

Example: 1,234,567,890

- British English: *one billion, two hundred and thirty-four million, five hundred and sixty-seven thousand, eight hundred and ninety*
- American English: *one billion, two hundred thirty-four million, five hundred sixty-seven thousand, eight hundred ninety*

Example: figures in consolidated statement are usually expressed in £m → 10,527 £m → £10,527,000,000: *ten billion, five hundred (and) twenty-seven million pounds*. These large figures can also be said as decimals: *ten point five two seven billion pounds*.

Exercise:

- 278,896 (£m) = two hundred and seventy-eight billion, eight hundred and ninety-six million pounds
- 2,754= two billion, seven hundred and fifty-four million pounds (or two point seven five four billion pounds)
- 924,357= nine hundred and twenty-four billion, three hundred and fifty-seven million pounds

- 238,784= two hundred and thirty-eight billion, seven hundred and eight-four million pounds

UNIT 9 – Central banking

- Policy= an agreed plan of what to do
- Threats= potential sources of danger
- Oversight= supervision
- Target= a level or situation which you intend to achieve
- Core (adjective) = basic and most important
- Sound (adjective) = in good condition
- Sterling = the name of the British currency
- Inflation = a general, continuous increase in price
- Remunerated = paid
- Identify risks
- Influence exchange rates
- Reduce threats
- Reduce risks
- Maintain stability
- Implement policies = put them into effect
- 📖 Base rate= the rate at which the central bank lends money to commercial banks
- 📖 Capital= money invested in companies, to buy buildings, machinery, etc.
- 📖 Consume= to spend money on goods and services
- 📖 Demand= what people consume and how much they invest
- 📖 Incentive= encouragement or a reason to do something
- 📖 Labour= work done by people
- 📖 Plant= factories, and the machines and equipment in them
- 📖 Supply= the quantity of goods and services offered for sale by companies

Talking about figures – decimal numbers

English uses a symbol like a full stop between two parts of a decimal number. It is called a *decimal point*. A comma is not used in this position. In pure number (without a unit of measurement), each digit after the decimal point is said separately.

Examples:

- 3.5 *three point five*
- 3.51 *three point five one*
- 3.14159 *three point one four one five nine*
- 3.75% *three point seven five percent*

However, if the number after a decimal represents a unit of money, length, etc., it is usually read as a normal number.

Examples:

- \$5.61 *five dollars sixty-one (cents)*
- 1.22 m *one metre twenty-two (centimetres)*

0 is called *zero* or (mainly in British English) *nought*. British English also uses *oh*, but only after the decimal point, never before.

Examples:

- 11.005 *eleven point oh oh five* (or *eleven point double oh five*)
- 0.501 *zero / nought point five oh one*
- 0.001 *zero / nought point oh oh one* (or *zero / nought point double oh one*)

TEXTS

Week 1 – Guardian Article

- Peak = the highest point
- Rise= sth does it by itself (e.g. sun) – whereas someone can RAISE sth
- Keep interest rate on hold= suspended
- Knife-edge decision= determinante/importante e pericolosa
- Vote by a narrow majority= sottile maggioranza
- Hold interest rates at (%)
- Bring to a halt= stop
- There is no room for complacency= smugness, lack of concern (*noncuranza*)
- Cut the rate on mortgages
- Amid= *tra, in mezzo a*
- To be on track to do sth
- To see the job through = finish it (task, project: complete)
- Lengthy period= long (*lungo, prolisso, interminabile*)
- To tip sth = push it to the edge
- Threadneedle Street= Bank of England
- Risk to sth
- Finely balanced= finemente bilanciato
- In the run-up to sth =just before it
- A near-even chance= *una possibilità quasi pari*
- To steer through= *guidare/condurre attraverso*
- Come off sth= finish period of (*uscire da/terminare*)
- The shadow chancellor= in opposition (*d'opposizione – il cancelliere ombra*)

Week 1 – ECB Speech

- Competitive devaluations= intern devaluating currency – it's more convenient to export goods
- Fixed exchange rate system= agreed value that doesn't fluctuate
- Monetary sovereignty
- Sovereign debt= debt that is issued by the government in form of securities (e.g. bonds) – the government borrows to make some public investments
- The world's second reserve and invoicing currency:
 - o Reserve currency= strong currency that a central bank is willing to keep as part of its borrowing exchange reserve

- Invoicing currency= currency in which each product will be invoiced and paid (even foreign) – Euro is the currency they use for invoice because it's strong and that everybody would be happy to receive it as payment
- Exchange rate volatility = a currency compared to x it's fluctuating value up and down
- To turn tide against (e.g. against inflation) = reverse the general course of events / reverse a situation / change the course of events (2 extremes)
- To hold sway= to have power or a very strong influence over sb/over a situation (e.g. The political advisor holds sway over the mind of the President.)
- To weather sth= to come safely through a difficult situation / to deal successfully (e.g. The company will be able to weather the recession)
- To pull in a different direction= to have different or opposite intentions that cannot be accomplished together (different ideas...) – (e.g. We were pulling in opposite directions; our thoughts were quite different.)
- To chart our own course = deciding your own route / the route that you want to take
- The hallmark of success= distinctive characteristics related to it (e.g. perseverance, hard work...)
- To hit a high or a low= to reach the peak or the lowest level
- To bring inflation back down to ...= decrease, reduce inflation
- To pool through= to put together all their forces / unify forces
- To undermine trust= to put at risk trust

Week 3 – Hargreaves & Lansdown article

- A spike = a sudden and sharp increase (often use with oil price) or something sharp that stands out (tacchetti)
- 'Safe-haven' assets= increase value / do not lose it in case of market turbulences / turndown (or when the market gets rocky) – e.g. haven= safe place / tax-haven= offset where you don't pay taxes
- Siege= a state attack
- Death toll= bilancio delle vittime
- Overriding = dominant
- Concern= worry
- Caught up = involved (in the conflict)
- Short-lived = opposite to lasting / long
- Manage to = implies that it was difficult
- To rally (verb) = gather together (typically with troupes) – often financial terminology is war terminology – get your forces together
- Blue chip = a company that is sound and it is internationally / publicly traded – it comes from the gambling world: it represents money
- IMF (International Monetary Fund) is expected to cut global growth forecasts= to lower their predicted growing figure
- Thorny= difficult (a thorn in your side)
- Backdrop = background
- To falter= to go down / no longer stable (e.g. voice)
- Hinted= insinuated
- Hike = a sudden increase
- Boost (transitive – sth boosts sth)= increase (intransitive)

- Unscathed= untouched – sth negative has not touched you
- Aftermath = effect / what follows something
- Escalation= rise – to escalate = to go to the person above you (boss)
- Immediate aftermath [collocation]= period following the attacks
- (oil price) jumped by ...%
- Stemmed= caused – stem= stelo (flower) – sth stem from sth else → it is the origin
- Inflationary = can cause inflation
- Consumer staples = staple goods – here staple (usually adj is made into a noun)
- Liquid = easy to buy and sell
- Potency = value / power
- Appreciated = increased (in financial terms= to go up)
- Turmoil = turbulence /disaster
- Sth hasn't followed a pattern = it is not totally predictable
- (Get) dragged into= involved in
- Knee-jerk = automatic reaction

Week 3 – Geopolitics and Investor Relations

- Rattled by= upset
- Unnerved= made nervous
- To eye= look at
- As a guidepost= (US) guide to proper behaviour (*linea guida*)
- An outsized surge= a very big sudden increase
- Sentiment toward
- Take a hit= to be affected badly by
- A clash / to clash= military: fight
- To shun (higher debt)= avoid
- Bout of= attack of illness or fight (in boxing) or a time period
- Fallout= aftermath (*ricaduta, conseguenze negative*)
- Short-term flare-up= attack or outburst of a disease (*fase acuta*) or outburst of emotion, violence (*scoppio*) – *di breve termine*
- A roundup of (responses)= summary / gathering up
- A spike in= peak
- In the spotlight= prominently featured (*sotto ai riflettori*)
- To prompt (increased concerns) = *incoraggiare / spingere*
- To feed into= help to perpetuate (alimentare)
- A risk-off environment= (finance) A mode of investment behavior in which investors shift high-risk investments to low-risk investments. – when investors put their money into less risky investments (e.g. government bonds)
- Subdued= quiet, soft (adj) – repress, overpower (verb: *domare, reprimere, sopraffare*) or make softer (*smorzare, attenuare*)
- Soft landing = when a central bank is able to bring inflation down and cool a hot economy without setting off a significant decline in economic activity, also known as a recession.
- Higher-for-longer= interest rates are expected to remain elevated for an extended period.
- To peter out= diminish (*esaurirsi*) – informal

- The flaring of tensions= When something bad such as violence, pain, or anger flares (up), it suddenly starts or gets much worse [to flare]
- To drive prices higher
- Undermine= gradually wear away, weaken
- To bring inflation under control= being dealt with or limited successfully
- The geopolitical set-up= arrangement
- To bolster sanctions against= to support
- To breach= break the rules / break through
- Detente between= politics: easing of tension or diplomacy (*distensione, schiarita*)
- To spur (sth – sb to sth – sb to do sth)= lead to action / prompt to take action
- A big surge in price
- To delve into= (fig.) investigate, research
- A pivotal role in (doing sth) = crucial role
- ...tensions coming on the foot of the Russia-Ukraine crisis= tensioni seguite alla crisi Russia-Ucraina
- Price hikes= price increases
- Spike in (prices)= sudden severe increase in cost
- Trade balance= imports compared to exports
- To flock to “safe-haven” assets= (fig.) go as a group
- An uprising against= political: revolt
- To grapple with= wrestle, fight with
- To dampen= make slightly wet or (fig.) enthusiasm, spirits: lessen (*diminuire, spegnere, smorzare*)
- With growing ties to= *con legami crescenti verso*
- To keep a close watch on= monitor sth, sb attentively
- To hamper= slow progress of something (*intralciare, ostacolare*)
- Wary (of sb/sth)= not trusting (*sospettoso, diffidente*)
- A shift towards sth= *spostamento, cambiamento verso*
- To edge sth higher= to increase by a small amount, or to make something do this [also: edge down or lower= to get less or lower by a small amount, or to make something do this]
- Retaliation= counterattack (*ritorsione, rappresaglia*)
- To gauge= measure, estimate
- A knee-jerk reaction= habitual, unthinking (*implusivo*)