

Banking Terminologies 1 [Page: 1-3] & 2 [Page: 4-6]

- ❖ **TRIPS:** The WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) is the most comprehensive multilateral agreement on intellectual property. This agreement came into effect on 1 January, 1995.
- ❖ **SDR:** Special Drawing Rights. The SDR is an international reserve asset created by the IMF in 1969 to supplement its member countries official reserves.
- ❖ **Liquidity:** liquidity is a measure of the cash and other assets banks have available to quickly pay bills and meet short term business and financial obligations.
- ❖ **LC:** The full form of LC is Letter of Credit. LC is the document by which the bank guarantees the payment of its due to the exporter on behalf of the importer.
- ❖ **Frozen Account:** An account on which funds may not be withdrawn until a lien is satisfied and a court order or other legal process makes the account for available for withdrawal.
- ❖ **TRIMs:** The agreement on Trade-Related Investment Measures are rules that are applicable to the domestic regulations a country applies to foreign investors, often as part of an industrial policy.
- ❖ **Hard Currency:** Money that is easy to exchange for money from another country because it is not likely to lose its value.
- ❖ **E-banking:** A kind of banking in which the bank uses electronic or satellite based computerized devices for ensuring promptness and accuracy in banking transactions.
- ❖ **Devaluation:** The deliberate reduction of the value of money of one country when it is exchanged for the money of another country in order to reduce imports and increase exports is called devaluation.
- ❖ **Currency Policy:** The central Bank reserves a certain amount of gold equivalent to the value of the money that will be printed. This is called currency policy.
- ❖ **Floating Exchange Rate:** When the exchange rate of a currency is determined by the demand & supply of that currency then it is called Floating exchange rate.
- ❖ **Inflation:** A general rise in the prices of services and goods in a particular country, resulting in a fall in the value of money is called Inflation. In this situation the less amount of things require more amount of money.
- ❖ **Hot money:** The money which moves from one place to another for higher protection or higher rate of interest is called Hot money.
- ❖ **Open credit:** When a banker gives the credit to a customer without any guarantee or security then it is called open credit.
- ❖ **Overdraft:** When the bank allows its faithful current account owner to draw more amount of money than that of the individual deposits then it is called Overdraft.
- ❖ **iPay:** iPay is a secure and seamless e-wallet. It is the first online payment Service Provider(PSP) in Bangladesh. BRAC Bank customers can now instantly add money to iPay and withdraw money from iPay wallet free of charge.
- ❖ **IPO:** Initial Public Offering is the process by which a private company can go public by sale of its stock to general public.
- ❖ **Zero Coupon Bond:** The another name of this bond is Accrual Bond. Zero Coupon Bond doesn't make coupon payments but is issued at a steep discount.

- ❖ **Money Market Fund:** An open-ended fund that invests in short-term debts and monetary instruments such as treasury bills and pays money market rates of interest.
- ❖ **SLR:** Statutory Liquidity Ratio. SLR is a minimum percentage of deposits that a commercial bank has to maintain in the form of liquid cash, gold or other securities.
- ❖ **Phishing:** The activity of defrauding an online accounts holder of financial information by posing as a legitimate agency.
- ❖ **Treasury Bond:** The bonds issued by the government are called Treasury Bonds.
- ❖ **MLIBOR:** London Interbank Offered Rate. LIBOR is a bank interest rate, the rate at which various banks around the world provide short term loans.
- ❖ **CAD:** The acronym of CAD is computer-aided design. It is one kind of software which is used to increase the productivity of the designer, improve the quality of design, improve communications through documentation and to create a database for manufacturing. It is also used to create 2D and 3D models and designs.
- ❖ **CAL:** The acronym of CAL is client access license. It is a commercial software license that allows clients to use server software services. A CAL is not a software product, rather, it is a license that gives a user the right to access the services of the server.
- ❖ **Cookies:** A cookie is a plain text file that is stored on computer in a cookie folder and it stores data about browsing session. Cookies are used by many websites to track visitor information. It is used by many websites to track visitor information. It is used by hackers and companies to know all personal details.
- ❖ **Trojan Horse:** A Trojan horse is not a virus. It is a destructive program that looks as a genuine application. Unlike viruses, it does not replicate itself but it can be just as destructive.
- ❖ **Crossed Cheque:** When two parallel lines are drawn across the top left corner of a cheque and the words "A/C payee" are written between the lines then it is called crossed cheque. A cheque is crossed for more security.
- ❖ **Hard Currency:** Money that is easy to exchange for money from another country because it is not likely to lose its value.
- ❖ **Recession:** A difficult situation for the economy of a country, when there is less trade and industrial activities than usual and more people are unemployed.
- ❖ **Fixed Account:** The account which can be run on the basis of agreement for a certain period of time usually for three to eight months is called Fixed account. After the stipulated period of time the money can be drawn out with interest. It has the highest rate of return.
- ❖ **Legal Tender:** Money that can be legally used to pay for things or services in a particular country is called Legal Tender
- ❖ **Credit Amount:** An arrangement with a shop or business to pay bills for goods or services at a later time for example in regular amounts every month.
- ❖ **Savings Account:** The account which can be started with a small amount of money to motivate the people in Saving is called savings account. It is suitable for limited earning people and students.
- ❖ **Overdraft:** When the bank allows its faithful current account owner to draw more amount of money than that of the individual deposits then it is called Overdraft.
- ❖ **ATM:** A machine that serves as a computer terminal and allows a customer to access account balance and information on a bank is known as Automated Teller Machine.

- ❖ **Credit Card:** Cards utilized to purchase goods and /or services on credit, in contrast to debit cards which are used to withdraw cash from ATMs (Automated Teller Machine) is called Credit Card.
- ❖ **Liquidity Risk:** The variation in net income and market value of bank equity caused by a bank's difficulty in obtaining immediately available funds, either by borrowing or selling assets.
- ❖ **Smart Card:** It is the advanced paid Debit card by which the cash money is transferred from the clients account electronically. For example phone card is a smart card used in Bangladesh.
- ❖ **Ready Cash:** Ready cash is a smart card made based on the microprocessor technology and is a alternative way of exchanging cash money. The owners of this card get the security of their money and earn the dividend on the cash amount of this card. Recently the Janata Bank has introduced this card.
- ❖ **Reflation:** Increasing the amount of money that is used in a country usually in order to increase the demand for goods.
- ❖ **Current Account:** The account in which money can be deposited and drawn out at more times of the daily bank hours is called Current account. Tk. 1000 is the least amount of starting this kind of account. It is suitable for the businessman.
- ❖ **Traveler's Cheque :** A cheque for a fixed amount of money, sold by a bank that can be exchanged for cash in foreign countries.
- ❖ **Accrued Interest:** Accrued interest rate is a rate one have to pay when his interest due from issue date or from the last coupon payment date to the settlement date. Accrued interest on bonds must be added to their purchase price.
- ❖ **Banker's Lien:** Bankers Lien is a special right of lien exercised by the bankers, who can retain goods bailed to them as a security for general balance of account. Bankers can have this right in the absence of a contract to the country.
- ❖ **Money Laundering:** When a customer uses banking channels to cover up his suspicious and unlawful financial activities, it is called Money Laundering.
- ❖ **Plastic Money :** Credit Cards, Debit Cards, ATM Cards and International Cards are considered plastic money as like money they can enable us to get goods and services.
- ❖ **Retail Banking :** Retail Banking is a type of banking in which direct dealing with retail customers is done. This type of banking is also popularly known as consumer banking or personal banking.
- ❖ **Bitcoin :** Bitcoin is a virtual currency/cryptocurrency and a payment system. It can be defined as decentralized means of tracking and assigning wealth or economy, it is a software protocol.
- ❖ **Notice Money :** When the money is borrowed or lent for more than a day up to 14 days it is called notice money.
- ❖ **NPA :** Non Performing Assets is an asset of a bank which is not producing any income. Bank usually classify as NPA any commercial loans which are more than 90 days overdue and any consumer loan which are more than 180 days overdue.
- ❖ **CBS :** Core Banking Solutions. In this all the branches of the bank are connected together and the customer can access his/her funds or transactions from any other branches.

- ❖ **CVV** : Card Verification Value. CVV is an anti-fraud security feature that helps verify that you are in possession of your credit card and making the transaction. CVV is usually a three digit number printed on the signature panel at the back of your credit card.
- ❖ **Linked Account** : When Any account linked to another account in the same bank where funds can be transferred electronically between accounts and carry out other specified services as well.
- ❖ **Green Banking** : It is an idea to promote environmentally friendly practices to reduce carbon footprint by banking activities. It aims to achieve banking and environmental sustainability.
- ❖ **RTGS** : .Real Time Gross Settlement is a fund transfer technology used by banks for same bank or interbank fund transfer. Contrasting NEFT or RTGS, transferring funds with RTGS is instantaneous and more nominal with regard to the costs incurred.
- ❖ **Routing Number** : This is a number that can identify your bank based on the geographical location of the institution. Bigger banks may have several routing numbers while smaller ones have only one.
- ❖ **APR** : Annual Percentage Rate is the yearly interest you earn by depositing your money into an account. This does not take into consideration the compound interest.
- ❖ **Base Rate** : This is the minimum rate at which a bank can lend to its customers. It cannot lend below the Base Rate. All interest rates determined for various loans will use the base rates as the benchmark.
- ❖ **Plastic Money** : This is a reference to currency used by individuals other than hard cash. Mostly it is used to refer to debit and credit cards.
- ❖ **APY** : Annual Percentage Yield is the percentage of interest you gain on interest every year, excluding compound interest. This is the same as annual Percentage Rate(APR).
- ❖ **Bank Ombudsman** : A bank ombudsman is the authority to look into complaints if in case other modes of complaints haven't worked out for the customer.
- ❖ **Micro Finance** : Small loans provided to the poor in urban, rural and sub-urban parts of the country in order to help them raise their income level is known as micro financing.
- ❖ **Bank Custodian** : A Bank Custodian is responsible for maintaining the safety of client's assets held at one of the custodian's premises, a sub-custodian facility or an outside depository.
- ❖ **DTI** : Debt to Income Ratio. The percentage of a consumer's monthly gross income that goes toward paying debts. Generally, the higher the ratio, the higher the perceived risk. Loans with higher risk are generally priced at a higher interest rate.
- ❖ **Forgery** : . The fraudulent signing or alteration of another's name to an instrument such as a deed, mortgage, or check. The intent of the forgery is to deceive or defraud.
- ❖ **Lien** : . Legal claim against a property. Once the property is sold, the lien holder is then paid the amount that is owed.
- ❖ **Bond** : Publicly traded long-term debt securities, issued by corporations and governments, whereby the issuer agree to pay a fixed amount of interest over a specified period of time and to repay a fixed amount of principal at maturity.
- ❖ **General Lien** : A right of the creditors to retain possession of all goods given in security to him by the debtor for any outstanding debt.
- ❖ **Perpetual Bonds** : Bonds which have no maturity date. Issuers pay coupons on perpetual bonds forever and they do not have to redeem the Principal.
- ❖ **Capital Gain** : The amount by which the proceeds from the sale of a capital asset exceed its original purchase price.

- ❖ **Portfolio** : A collection of investment vehicles assembled to meet one or more investment goals.
- ❖ **Yield** : The compound annual rate of return earned by an investment. Yield includes price increases as well as any dividends paid, calculated as the next realized return divided by the principal amount.
- ❖ **Nominal Value** : The value of a financial instrument as stated on the instrument. Interest is calculated on nominal/face value.
- ❖ **Arbitrage** : Buying a financial instrument in one market in order to sell the same instrument at a higher price in another market.
- ❖ **Demand Deposits** : Deposits which are withdrawn on demand by customers. E.g. Savings bank and current account deposits.
- ❖ **Bouncing of a Cheque** : Where an account doesn't have sufficient balance to honour the cheque issued by the customer, the available credit equal is returned by the bank with the reason 'Funds insufficient' or 'exceeds arrangement'. This is known as Bouncing of a Cheque.
- ❖ **Rate of Return** : A percentage showing the amount of investment gain or loss against the initial investment.

Abbreviations

- **Repo Rate= Standing Deposit Facility (SDF)**
- **Special Repo Rate= Standing Lending Facility (SLF)**
- BACH= Bangladesh Automated Clearing House.
- BACPS= Bangladesh Automated Cheque Processing System.
- BEFTN= Bangladesh Electronic fund transfer network.
- BAMLCO= Branch Anti-Money Laundering Compliance Officer.
- BFIU= Bangladesh Financial Intelligence Unit.
- BIMSTEC= Bangladesh Bay of Bengal Initiative for Multi-sectoral Technical and Economic Cooperation.
- BRPD= Banking Regulation & Policy Department.
- BSTI= Bangladesh Standard and Testing institute.
- CHIPS= Clearing House Interbank Payment System.
- CIRDPAC= Centre on Integrated Rural Development for Asia and The Pacific.
- CTR= Currency Transaction Report
- CBS= Core Banking Solution.
- CIB= Credit Information Bureau.
- CCU= Central Compliance Unit.
- CSR= Corporate Social Responsibility.
- CPMC= Commonwealth Prime Minister's Conference.
- CHOGM= Commonwealth Heads of Government Meeting.
- CIRDPAC= Center on Integrated Rural Development for Asia and the Pacific.

- CSAM= Center for Sustainable Agriculture Mechanization.
- LLDC= Landlocked developing countries
- SIDS= Small Island Developing States
- IPEF= Indo-Pacific Economic Framework for Prosperity.
- RCEP= Regional Comprehensive Economic Partnership.
- GAVI= Global Alliance for Vaccines and Immunization.
- NATO= North Atlantic Treaty Organization.
- GATT= General Agreement on Tariff and Trade
- SDR= Special Drawing Right
- FATF= Financial Action Task Force.
- STR= Suspicious Transaction Reports.
- EMI= EQUAL Monthly Instalments.
- NPSB= National Payment Switch Bangladesh.
- IPG= Internet Payment Gateway.
- IBRD= International Bank for Reconstruction and Development.
- ECNEC= Executive Committee of National Economic Council.
- FIFA= International Federation of Association Football.
- UNESCAP= United Nations Economic and Social Commission for Asia and the Pacific.
- **CAMELS** acronym stands for:

C= Capital Adequacy

A=Asset Quality

M= Management

E= Earnings

L= Liquidity

S= Sensitivity

Banking Terms গুলো Bank Written GK এর জন্য বাধ্যতামূলক একটা আইটেম। এর পাশাপাশি ব্যাংক প্রিলি-MCQ, রিটেনে শর্ট নোট রাইটিং এমনকি ভাইবা প্রস্তুতির জন্যও জানা আবশ্যিক।