Interrelation of the American Bank Terminology with Other Terminological Systems

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Abstract

The article describes the American bank terminology in terms of its structure. Areas of the associated spheres, with their terms being a part of the terminological system periphery, are distinguished. The attempt to define the relation and percent composition of terms from the areas under research in the bank terminology is made. The diachronic aspect of forming the terminological system is taken into account, and basic stages of its development are described. The goal of the research is to reveal the relation of special bank terminology with other term systems for further defining the strategy of studying and fixing terminological units in this area of knowledge.

Keywords: term, terminological system, nucleus of the terminological system, periphery of the terminological system, discourse analysis.

Many researchers of special terminologies strive for determining standards of systematization and grouping of terms within special areas of knowledge (**Felber H., Hoffmann L, D. Mohn, R. Pelka**). In the summary of the Principles and Methods for Standardizing Terminologies H. Felber described the important steps to be taken in establishing standard terminology. They include the following:

1. To make an inventory of terms available in the field or discipline, i.e. to collect and record terms.
2. To examine the collected terms in order to identify individual and specific concepts to be defined.
3. To arrange terms either in classes of meanings (a classified grouping system) or in the alphabetical order if the terminology is brief
4. To segregate permitted terms from preferred terms. To use permitted terms (synonyms) only if the preferred term must be avoided for a particular reason.
5. At the end of the classified terminology standard, to add an alphabetical index. [3]

The research of the terminological system of banking showed that its components included not only non-borrowed bank terms but also lexical units from other terminological systems. This article investigates and groups terms from the associated areas. These groups make up the periphery of the bank terminology. During the research the bank discourse was analyzed, and the most frequent groups of terms were revealed. The figure below allows us to see the percent correlation of terms' groups found during the research.

Figure 1. Correlation of Terms from Associated Areas Found in the Periphery of the Banking Term System

The conducted analysis showed that the non-borrowed bank terminology was the most closely related to the market stock, legal, accounting, math analysis, computer, and insurance terminology. Terms and terminological phrases taken from these terminological systems make up the periphery of the American bank terminological system. During the research the attempt to research the phenomenon of close relation of the above terminologies was made by analyzing terminological units in terms of the diachronic aspect.

The first, the most extended group, is market stock terminology. The first US Stock Exchange was established in 1791 in Philadelphia, and in 1792 the New York Stock Exchange was founded. During this period of the US economy establishment, the process of forming the share capitals for financing large companies was especially active. During this period population's funds very intensively raised. However, it was not a novelty to form large capitals by involving small amounts of private investors. As mentioned above, in the USA this phenomenon was the most wide-spread. Joint-stock companies in the USA became public almost at once, which required new forms of reporting to make them more understandable for investors. As a result of active involvement of the US population in the stock activity and increase in the number of trades in US stock exchanges, new terms appeared. Numerous misuses are referred to this period, with their interpretations used as metaphors: *pyramid scheme*, *bullish mood*, and *crash*. Almost since the very beginning of stock operations activation, banks have become the leading players at stock exchanges, which contributes to using stock terminology in the American bank terminology (ABT).

Qualitative changes on this market started when the USA joined the WWII firstly in the Pacific zone, and then in Europe. Appropriate terminological system of state loans (mid- and long-term debentures) that also entirely entered the ABT starts being formed.

One of the consequences of the WWII and the occurrence of the "cold war" between the USSR and the USA in the future was the accelerated development of highly technological areas of economy involved in elaborating and production of modern arms and space systems. It also required to involve considerable funds in highly technological companies both from the US budget and free financial market. The creation of large joint-stock companies with eventual IPOs (*Initial Public Offering*) manifold increased the total number of transactions on the stock market and indices of the business activity at the New York Stock Exchange.

Special attention must be paid to the terminology of the FOREX market that today is an independent market and operates 24/7 almost virtually because the stock market simultaneously involves numerous currency pairs. Terms of operative account management: *currency pair*, *currency quotation*, *equity*, *principal value*, *Fibonacci retracements*, *flat*, *open position* become rather applicable in the banking terminology.

One of the peculiarities of the terminology related to the currencies “play” market is the involvement of terms from the areas that seemingly have no direct relation to the banking activity. However, in practice when analyzing and forecasting the state of the FOREX market, bank analysts actively use political vocabulary: *political instability*, *terrorism threat level*, as well as words and phrases that mean natural phenomena such as natural disasters, seasonal storms and hurricanes, and earthquakes (*hurricanes*, *tornadoes*, *floods and other disasters*).

The second group includes legal terms. The authors of numerous researches devoted to the US business culture numerously emphasized the importance of law, judicial system and legislation norms in this country. The USA has a record number of lawyers. The legislation framework of this country is large. The number of various acts, bylaws, and resolutions that regulate the activity of separate organizations and companies is constantly increasing, and the existing norms and resolutions are being constantly improved. Due to the importance of the financial activity for the development of the economic potential of the country, the law and relevant control authorities are extremely important when ensuring the adequate functioning of the US bank system, and, as a consequence, the legal terminology is an integrated part of the US bank system terminology. For example, in 1970 the *Bank Secrecy Act* was adopted. It obliged banks to immediately inform the authorities about all suspicious operations on bank accounts. In 1986 the *Money Laundering Control Act* was adopted. It was devoted to fighting against laundering money. For the purpose of protecting borrowers' rights, the *Fair Credit Reporting Act* (1968), *Truth in Lending Act* (1969), *Equal Credit Opportunity Act* (1974), *Fair Debt Collection Practices Act* (1978), *Fair and Accurate Credit Transactions Act* (2003) were adopted.

As names of the above acts that were adopted show, they are closely related to political and economic tendencies of the country development and say about new challenges countries face under new economic conditions. Nominative phrases that name these laws both enter legal terminology and are fixed in US legal dictionaries, and are constantly used in the bank terminology, particularly in internal documents of banks, charters and reports.

Another extremely important layer of the legal terminology is represented by the contract terminology. A bank is naturally a *legal entity* of some kind. Most often this is a *joint stock company* that acquires this status during the *incorporation*. This process is based on the thematic bank document – *charter* - that displays basic principles and legislative norms of this financial establishment. The US charter is a unique financial and legal document where financial and non-borrowed bank terminology is used together with legal terminology.

It is natural that all bank services are provided upon concluding an agreement, for example, a *loan agreement* or a *trust agreement*. Of course, these agreements contain special bank vocabulary. However, they are based on legal terminology that defines *rights and obligations of the parties*, *terms of the agreement*, *commencement date* and *termination*, *expiry date*. Bank agreements are characterized by such legal clichés as *to be entitled to*, *to undertake*, *to incur costs*, *to be liable for*, as well as well-known attributes of special legal contract language as *hereby* and *hereinafter*.

A bank is a financial establishment that works with large financial flows. That is why often both the bank and its main products are a target for criminal activity of both dishonest bank employees and clients, and third parties. In addition to the extended legal basis meant to control the compliance of the bank activity with the law, the ABT contains special legal terms that mean basic types of deeds of crime in the banking activity. As a rule, these deeds of crime are classified into *torts* (deeds of crime against a certain individual) and *crimes* (deeds of crime against the society as a whole).

Such deeds of crime against the individual as *conversion*, *negligence*, *fraud*, *defamation* are the most typical for the banking practice. Very often such deeds of crime are committed by the bank employees and demand from them to have certain professional knowledge and are referred to as *white*

collar crimes. This terminological phrase was formed on the basis of the metonymical shift and is rather often used in banking.

The metaphorical shift of the meaning by similarity is the basis for forming the phrase *predatory lending*. Consequently, the individual or the institution that provides such loans is called a *loan shark*.

It is possible to refer *larceny*, *embezzlement*, *bribery* to the most famous bank crimes. Measures on preventing *money laundering* that has a direct relation to the bank system hold a special place in the US legislation. One should not doubt about the terminological status of this phrase because it is found both in financial and legal dictionaries and documents. However, its semantics is exclusively interesting and figurative. This crime aims at concealing the real source of income and transferring money on the bank accounts for (*dirty*) money to turn into *clean* money. Thus, the terminological phrase widely used both in the legal and bank terminology is formed on the basis of the metaphoric shift and maintains figurativeness and impression in spite of its terminological status.

Being attractive for clients, modern bank products such as credit cards and new software that provide electronic access to clients' assets offer opportunities for new deeds of crime such as *identity theft* – accomplishment of bank operations by using other people's data and payment documents. Protection of information and bank accounts becomes the most important task of *security departments* that have been recently established in banks.

Thus, the close interrelation of financial and legal practice of modern banks causes the penetration of legal terms in the ABT that are not perceived by professionals in the bank sector as heterogeneous and are an important part of their professional language.

The third group includes accounting terminology. The accounting and audit terminological system enters the ABT almost entirely. In terms of its origin and structure, this system is an entirely American phenomenon related, above all, to organizing the bank activity and system of US acts mentioned above.

Above all, this terminological phrase (TP) includes numerous standards and procedures of the financial report called GAAP (*Generally Accepted Accounting Principles*).

In the USA standards in this area are developed by several professional accounting organizations. The most influential of them are the following: *American Institute of Certified Public Accountants (AICPA)*, *Financial Accounting Standards Board (FASB)*, *Securities and Exchange Commission (SEC)*, *American Accounting Association (AAA)*. The GAAP system consists of 4 levels. The first level includes official FASB documents. The second level contains documents adopted by authorized accounting organizations. The third level includes generally accepted "initial" documents. The fourth level includes the accounting practice of analysis based on provisions of the *Accounting Principles Board (APB)*, reports on problems of the *American Institute of Certified Public Accountants (AICPA)*, practical bulletins of the *American Institute of Certified Public Accountants (AICPA)*, and provisions on problems of financial accounting of the *Financial Accounting Standards Board (FASB)*.

US banks regularly provide both controlling bodies and shareholders with *Consolidated Annual Financial Reports*. It is interesting to note that in spite of the specificity of the bank activity, banks provide the same reports as other companies: *Balance Sheet*, *Statement of Income* и *Statement of Cash Flow*. Besides, like other companies, banks report on the state of *assets*, *liabilities*, and *equity*. It is not strange that these documents use numerous accounting terms like *gross*, *net*, *noninterest*, *active (passive) income*, (*operating, total*) *costs*, *margin*, *expenses*, *indebtedness*, *tax*, *earnings*, *surplus*. Of course, due to the specificity of the bank activity, these general indicators are duly clarified. Thus, *assets* include *loans* given by a bank, and *liabilities* – *deposits*.

Terms of bank accounting required for correct interpretation of the financial report are understood, above all, by professionals working in this area, and are not so well-known like terms that mean bank services and legal terms. Nevertheless, in the USA banks annually publish their financial statements that are accessible not only for shareholders but also the general public. It was mentioned above about the Americans' interest in operations on the financial market of the country. This interest makes many nonprofessionals master basics of accounting and main indicators of accounting.

The fourth wide-spread group includes the math analysis terminology. Modern stock markets work 24/7 by applying serious math provision based on the analysis of *fluctuation band* and elements of

the math cybernetics developed by the Soviet researcher Kantarovich L.V. in the 1930s and making it possible to process great volumes of economic information by using the simplex method and methods of math statistics. As a consequence, new terms that define the state of the market and mean new methods of analysis, as well as data about the structure and state of various sectors of the US economy such as *simplex-method* (automated sorting of a linear equation system with many variables), *simplex algorithm*, *mathematical statistics*, *S&P 500- Standard and Poor's 500 Index*, *NASDAQ*, *Dow Jones*, *Basic Materials Index*, *Oil&Gas Index*, *contribution method* become urgent for banks.

In addition to numerous indices that characterize the state of international economic and stock markets, banks use various math methods to define the efficiency of operation and financial state of the bank. As a result, banks open up *Internal Audit Departments* and analytical departments. Their tasks include numerous procedures related to both math analysis and analysis of the state of a certain area the bank activity is related to. Thus the words *analysis*, *analyst* become extremely popular and enter numerous phrases: *Covariance Analysis*, *analysis statement*, *automated analysis account*.

Analytical departments of banks use such terms and terminological phrases as *economic indicator*, *FIFO – First-in-First-out*, *profitability model*, *model profit maximization*, *equilibrium*, *linear programming analysis*, *risk analysis*, *reliability analysis*.

The efficiency of the bank activity is defined by using numerous *ratios* such as *Operating Asset Ratio (OAP)*, *Operating Income Ratio (OIR)*, *Operating Equity Ratio (OER)*. The further development of the bank system requires analyzing more and more information that causes the occurrence of formulae that are a result of algorithimization – a logical formation of calculations and graphs based on the main formulae of the mat analysis.

The computer terminology also enters the periphery of the bank terminology. In the USA the development of information technologies has a long history because the first attempts to mechanize smart accounting technique were in the 17th century. Modern banks are equipped with the latest computer equipment that requires servicing. As a consequence, in every bank there is an *IT Department* with its specialists being involved in servicing both the *hardware* and *software*. Of course, the terminology used by specialized programmers is specialized and understood only by professionals. At the present time it is represented mainly by letters and digits abbreviations: *EDI* – electronic data interchange, *HASP* – hardware against software privacy, *IIS* – internet information services.

Nevertheless, in the USA nowadays *e-banking* is used by all members of the society. It means that the use of a PC to make the simplest bank operations is impossible without knowing the main terms in this area. US banks provide clients with detailed instructions to help them to use bank services *online*. In addition to bank terms that define the main bank products, such instructions use numerous computer terms.

Among the computer terms used in the ABT, it is possible to single out two groups. The first group includes narrowly professional terms that are used by IT specialists, including network terms *datagram*, *enterprise network*, *firewall*, *frame*, *backbone*, *facilities*, *gateway*, *jabbering*.

The second one includes terms meant for consumers of bank services. It is possible to refer such nouns as *menu*, *file*, *software*, *data*, *(mailing) address*, *directory*, *provider*, *(error) message*, *(error) code*, *access*, *password*, *passphrase*, as well as verbs that mean the main operations carried out by PC users *to log on*, *to download*, *to save*, *to enter*, *to delete*, *to process* can be referred to such terms.

Systems of swift and then global international system of communication that appeared in the 1970-1980s became an extremely important point in the development of computer terminology. It caused the creation of electronic payment systems that actually replace banknotes, as well as the system of remote access to clients' accounts via the computer bank. In particular, plastic cards became widespread, which required to develop special software and equipment for electronic identification of the client by the bank. There was a need to limit unsanctioned access of the bank employees to clients' databases. In order to meet this need, the electronic access code was introduced. The terms used when servicing plastic cars are important both for the bank sector employees and consumers of bank services: *balance transfer*, *credit report*, *grace period*.

In its turn, it caused the need to create automated servicing centers such as *Visa, Master Card* that are directly related both to the computer equipment, and specialized software and Internet. The fact that the Visa and Master Card systems occurred in the USA for the first time allows stating that the majority of terms related to electronic payment systems and servicing plastic cards have the US origin. For example, the money stored on accounts of plastic cards is called *plastic money*. Today this metaphoric term is used by any US citizen to define credit cards.

The knowledge of this part of bank terminology is especially important because solely in the USA there are more than 370 thous. ATMs, excluding electronical terminals in outlets and networks. Obviously, due to electronic payment systems, special computer bank terminology in the consumer sector of the ABT has turned from a narrowly-specialized into the widely used one during a short period of time. Personal computers, Internet, development of numerous software products became a powerful driver for the development of the US specialized computer terminology, and afterwards its spread in the world. It also caused the formation of the alliance of basic terms of banking and IT technologies.

Thus, the analysis of the terminology of the US banking system has shown that in this terminological system non-borrowed bank terms that mean basic products and services offered by US banks coexist with the terms and terminological phrases of other associated terminologies, which says about the lack of distinct boundaries between these terminological systems.

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