Term	Definition
AML : Anti-Money Laundering	AML refers to a set of laws, regulations, and procedures intended to prevent criminals from disguising illegally obtained funds as legitimate income.
Artificial Intelligence (AI)	AI refers to the simulation of human intelligence in machines that are programmed to think like humans and mimic their actions. The term may also be applied to any machine that exhibits traits associated with a human mind such as learning and problem-solving.
Asset Liability Management (ALM)	ALM can be defined as a mechanism to address the risk faced by a bank due to a mismatch between assets and liabilities either due to liquidity or changes in interest rates.
Asset-Under-Management (AUM)	AUM is the total market value of the investments that a person or entity manages on behalf of clients, typically used in private banking and retail banking.
Bancassurance	Bancassurance is an arrangement between a bank and an insurance company allowing the insurance company to sell its products to the bank's client base.
Bank Run	A bank run occurs when a large number of customers of a bank or other financial institution withdraw their deposits simultaneously over concerns of the bank's solvency.
Basel Accord III	Basel III is a 2009 international regulatory accord that introduced a set of reforms designed to mitigate risk within the international banking sector, by requiring banks to maintain proper leverage ratios and keep certain levels of reserve capital on hand.
Bills of Exchange	A bill of exchange is a written order once used primarily in international trade that binds one party to pay a fixed sum of money to another party on demand or at a predetermined date.
Capital Markets	Capital markets are venues where savings and investments are channelled between the suppliers who have capital and those who need capital. They are composed of primary and secondary markets with the most common capital markets being the stock and bond markets.
Charge Card	A charge card is a type of electronic payment card that charges no interest but requires the user to pay their balance in full upon receipt of the statement, usually on a monthly basis.
Clearing Facilities	Clearing Facility means a facility for the clearing or settlement of securities or futures contracts traded on a securities market or a futures market

Collateral	Collateral is an item of value used to secure a loan. Collateral minimizes the risk for lenders. If a borrower defaults on the loan, the lender can seize the collateral and sell it to recoup its losses. Mortgages and car loans are two types of collateralized loans
Commodity Finance	Commodity finance (CF) is the term used for funding the trade of commodities. CF is a type of trade finance, often split into metals and mining, soft commodities and energy. Commodity finance is used by many companies, including producers, traders and commodity lenders.
Compliance	Compliance as a general term means acting according to a set of rules or regulations.
Convertible Loans	A convertible loan is a short-term debt that converts into equity.
Corporate Restructuring	Corporate restructuring is an action taken by a company to significantly modify the financial and operational aspects of the company, usually when the business is facing financial pressures. This usually involves significantly modifying the debt, operations or structure of a company as a way of limiting financial harm and improving the business.
Counter Financing of Terrorism (CFT)	CFT involves investigating, analyzing, deterring, and preventing sources of funding for activities intended to o achieve political, religious, or ideological goals
Credit Risk	Credit risk is most simply defined as the potential that a bank borrower or counterparty will fail to meet its obligations in accordance with agreed terms.
Crowd-funding	Crowdfunding is the use of small amounts of capital from a large number of individuals to finance a new business venture. Crowdfunding makes use of the easy accessibility of vast networks of people through social media and crowdfunding websites to bring investors and entrepreneurs together, with the potential to increase entrepreneurship by expanding the pool of investors beyond the traditional circle of owners, relatives and venture capitalists.
Custodian	An entity, usually a bank, that safekeeps and administers securities or other assets for its customers and that may provide various other services, including clearing and settlement, cash management, foreign exchange transactions, securities lending and collateral management.
Debt Capital Markets	A Debt Capital Market (DCM) is a market in which companies and governments raise funds through the trade of debt securities, including corporate bonds, government bonds, Credit Default Swaps etc

Debt Issuance	A debt issuance refers to a financial obligation that allows the issuer to raise funds by promising to repay the lender at a certain point in the future and in accordance with the terms of the contract.
Default	An event stipulated in an agreement as constituting a default. Generally, such events relate to a failure to complete a transfer of funds or securities in accordance with the terms and rules of the system in question.
Derivative	A derivative is a financial security with a value that is reliant upon or derived from, an underlying asset or group of assets. The derivative is a contract between two or more parties, and the derivative derives its price from fluctuations in the underlying asset. The most common underlying assets for derivatives are stocks, bonds, commodities, currencies, interest rates, and market indexes. These assets are commonly purchased through brokerages.
Digital Banking	Digital banking can be defined as extending the transactional facility to customers by banks through various secured digital channels by taking care of data security, related risk mitigation and regulatory aspects by banks themselves. Also commonly known as online banking.
Disintermediation	Disintermediation is the process of removing the intermediary from future transactions. It is the withdrawal of funds from intermediary financial institutions, such as banks and savings and loan associations, to invest them directly.
Distressed Debts	Distressed debt refers to the securities of a government or company which has either defaulted, is under bankruptcy protection, or is in financial distress and moving toward the aforementioned situations in the near future.
Divestment	Divestment is the process of selling subsidiary assets, investments or divisions in order to maximize the value of the parent company.
Dual Currency Products	A Dual Currency Product or Dual Currency Deposit (or DCD), is a financial instrument structured to help a depositor take advantage of relative differences in two currencies. It allows a bank customer to make a deposit in one currency, and withdraw the money in a different currency if it is advantageous to do so. The DCD combines a cash or money market deposit with a foreign exchange option. Because of the currency risk, dual currency deposits offer higher interest rates.

Environmental, Social and Governance	Environmental, social, and governance (ESG) criteria are a group of standards used by socially conscious investors to screen investments.
Equity Capital Markets	The equity capital market (ECM) is where financial institutions help companies raise equity capital and where stocks are traded. It consists of the primary marker for private placements, IPOs and warrants; and the secondary market where existing shares are sold, and futures, options and swaps are traded.
ESG	See "Environmental, Social and Governance"
ETF	See "Exchange Traded Fund"
Exchange Traded Fund	An exchange-traded fund (ETF) is a basket of securities that trade on an exchange, just like a stock. ETFs can contain all types of investments including stocks, commodities, or bonds.
Financial crimes	Financial crime ranges from basic theft or fraud committed by ill-intentioned individuals to large-scale operations masterminded by organized criminals
Financial Inclusion	Financial inclusion is defined as the availability and equality of opportunities to access financial services. It refers to a process by which individuals and businesses can access appropriate, affordable, and timely financial products and services.
Financial Institution	A financial institution (FI) is a company engaged in the business of dealing with financial and monetary transactions such as deposits, loans, investments, and currency exchange
Fintech	Financial technology (Fintech) is used to describe new tech that seeks to improve and automate the delivery and use of financial services. At its core, fintech is utilized to help companies, business owners and consumers better manage their financial operations, processes, and lives by utilizing specialized software and algorithms that are used on computers and, increasingly, smartphones.
Fixed Asset	A fixed asset is a long-term tangible piece of property or equipment that a firm owns and uses in its operations to generate income. Fixed assets are not expected to be consumed or converted into cash within a year. Fixed assets most commonly appear on the balance sheet as property, plant, and equipment
Foreign Exchange	Foreign Exchange (forex or FX) is the trading of one currency for another.

Fund houses	A fund house is a company that invests the pooled money of investors to buy financial securities like stocks, mutual funds, equities, etc. These fund houses have fund managers who decide where and how to invest money.
Government Bills	A Government bill or Treasury Bill (T-Bill) is a short-term U.S. government debt obligation backed by the Treasury Department with a maturity of one year or less. Treasury bills are usually sold in denominations of $1,000. These securities are widely regarded as low-risk and secure investments.
Guarantees	A financial guarantee is a contract by a third party (guarantor) to back the debt of a second party (the creditor) for its payments to the ultimate debtholder (investor).
Hedge	Hedging is a risk management strategy employed to offset losses in investments by taking an opposite position in a related asset. While hedging is used to limit the losses if the market goes against expectations, hedging can also be used to lock in a specific amount of profit. Hedging strategies typically involve derivatives, such as options and futures contracts. The reduction in risk provided by hedging also typically results in a reduction in potential profits.
Initial Public Offering	An inItial public offering (IPO) refers to the process of offering shares of a private corporation to the public in a new stock issuance.
Interest Rate Hedging	The activity of using financial products to protect against future changes in interest rates: Interest rate hedging helps protect your borrowing from the risk of fluctuations in interest rates.
IPO	See "Initial Public Offering"
Letter of Credit	A letter of credit, or "credit letter" is a letter from a bank guaranteeing that a buyer's payment to a seller will be received on time and for the correct amount
Leverage Buyouts	A leveraged buyout (LBO) is the acquisition of another company using a significant amount of borrowed money to meet the cost of acquisition
Leverage Finance	Leveraged finance is funding that is used to acquire debt to invest in an asset that will generate profits in the future.
Leveraged	Leverage results from using borrowed capital as a funding source when investing to expand the firm's asset base and generate returns on risk capital.

Liquidity Management	Liquidity management is the basic concept of the access to readily available cash in order to fund short-term investments, cover debts, and pay for goods and services.
LTV: Loan-to-Value	LTV ratio is an assessment of lending risk that financial institutions and other lenders examine before approving a mortgage.
M&A	See "Mergers & Acquisition"
Machine Learning	Machine learning is an application of artificial intelligence (AI) that provides systems the ability to automatically learn and improve from experience without being explicitly programmed. Machine learning focuses on the development of computer programs that can access data and use it learn for themselves.
Management Buyouts	A management buyout (MBO) is a transaction where a company's management team purchases the assets and operations of the business they manage.
Mandatory Convertible Bonds	A mandatory convertible is a type of convertible bond that has a required conversion or redemption feature, rather than the convertible feature being an option. For these bonds, either on or before a contractual conversion date, the holder must convert the mandatory convertible into the underlying common stock.
Margin Squeeze	Margin squeeze refers to many financial and business situations, typically involving some sort of market pressure. In business, it is a period when borrowing is difficult or a time when profits decline due to increasing costs or decreasing revenues.
Market Capitalization	Market capitalization, or market cap, is a simple metric based on stock price. To calculate a company's market cap, multiply the number of shares outstanding by the current price of a single share. It is is often used to help define the value of a company when analyzing potential trade opportunities.
Market maker	A market maker (MM) is a firm or individual who actively quotes two-sided markets in a security, providing bids and offers (known as asks) along with the market size of each.
Market Risk	Market risk is the risk of losses on financial investments caused by adverse price movements. In short, market risk refers to the risk of losses arising from movements in market prices

Mergers & Acquisition	Mergers and acquisitions (M&A) is a general term used to describe the consolidation of companies or assets through various types of financial transactions, including mergers, acquisitions, consolidations, tender offers, purchase of assets and management acquisitions.
Mezzanine Debts	Mezzanine debt occurs when a hybrid debt issue is subordinated to another debt issue from the same issuer. Mezzanine debt is frequently associated with acquisitions and buyouts, for which it may be used to prioritize new owners ahead of existing owners in case of bankruptcy.
Mezzanine Finance	Mezzanine financing is a hybrid of debt and equity financing that gives the lender the right to convert to an equity interest in the company in case of default, generally, after venture capital companies and other senior lenders are paid
MiFID II	The Markets In Financial Instruments Directive (MiFID) II is a legislative framework instituted by the European Union (EU) to regulate financial markets in the bloc and improve protections for investors. Its aim is to standardize practices across the EU and restore confidence in the industry, especially after the 2008 financial crisis. The MiFID II reinforces the rules on securities markets by ensuring that organised trading takes place on regulated platforms; introducing rules on algorithmic and high frequency trading; improving the transparency and oversight of financial markets – including derivatives markets - and addressing some shortcomings in commodity derivatives markets; and enhancing investor protection and improving conduct of business rules as well as conditions for competition in the trading and clearing of financial instruments
Money Market	Money market refers to a market for trading in very short-term debt investments
Mortgages	A mortgage is a debt instrument, secured by the collateral of specified real estate property, that the borrower is obliged to pay back with a predetermined set of payments
Multiplier Effect	The multiplier effect refers to the proportional amount of increase, or decrease, in final income that results from an injection, or withdrawal, of spending.
Operational Risk	Operational risk is the loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk
Peer-to-peer	A peer-to-peer (P2P) service is a decentralized platform whereby two individuals interact and transact directly with each other, without intermediation by a third party.

Private Placements	A private placement is a sale of stock shares or bonds to pre-selected investors and institutions rather than on the open market. It is an alternative to an initial public offering (IPO) for a company seeking to raise capital for expansion.
Privatization	The transfer of ownership, property or business from the government to the private sector is termed privatization. The government ceases to be the owner of the entity or business.
Real Estate Investment Trust	A real estate investment trust (REIT) is a company that owns, operates, or finances income-generating real estate. It allows individual investors to earn dividends from real estate investments—without having to buy, manage, or finance any properties themselves.
Regtech	Regtech is the management of regulatory processes within the financial industry through technology. The main functions of regtech include regulatory monitoring, reporting, and compliance
REIT	See "Real Estate Investment Trust"
Rights Issue	A rights offering (rights issue) is a group of rights offered to existing shareholders to purchase additional stock shares, known as subscription warrants, in proportion to their existing holdings.
Robo-investment	Robo-advisors (also spelled robo-adviser or roboadvisor) are digital platforms that provide automated, algorithm-driven financial planning services with little to no human supervision.
SDIC	Please see under "Singapore Deposit Insurance Corporation"
Settlement	The discharge of an obligation in accordance with the terms of the underlying contract.
Singapore Deposit Insurance Corporation	Singapore Deposit Insurance Corporation (SDIC) administers the Deposit Insurance Scheme that is set out by law to offer insurance coverage for Singapore-dollar accounts, which may be savings, current or deposit accounts with banks or finance companies
Structured Deposits	A structured deposit combines a deposit with an investment product. The return on a structured deposit depends on the performance of an underlying financial asset, product or benchmark.

Structured Finance	Structured finance is a heavily involved financial instrument presented to large financial institutions or companies with complicated financing needs who are unsatisfied with conventional financial products. Collateralized debt obligations (CDOs), synthetic financial instruments, collateralized bond obligations (CBOs), and syndicated loans are examples of structured finance instruments
Sustainable Finance	Sustainable finance generally refers to the process of taking due account of environmental and social considerations when making investment decisions, leading to increased investment in longer-term and sustainable activities.
Time Deposits	A time deposit is an interest-bearing bank account that has a pre-set date of maturity.
Trade	Trade is a basic economic concept involving the buying and selling of goods and services, with compensation paid by a buyer to a seller, or the exchange of goods or services between parties.
Trade Finance	Trade finance represents the financial instruments and products that are used by companies to facilitate international trade and commerce.
Treasury products	Treasury products are conservative investments as they usually backed by the government. Investors are guaranteed the return of both their interest and the principal that they are due, as long as they hold them to maturity. Treasury products include Treasury Bills (T-Bills), Treasury Notes (T-Notes) and Treasury Bonds (T-Bonds)
Trust Receipts	A trust receipt is a financial document attended to by a bank and a business that has received delivery of goods but cannot pay for the purchase until after the inventory is sold
Underwriter	An underwriter is any party that evaluates and assumes another party's risk for a fee.
Unit trust	A unit trust is a form of collective investment that allows funds to hold assets and provide profits that go straight to individual unit owners instead of reinvesting them back into the fund. The investment fund is set up under a trust deed, making the investor the beneficiary. A unit trust pools investors' money into a single fund, which is managed by a fund manager.

Volcker Rule	The Volcker Rule is a federal regulation that generally prohibits banks from conducting certain investment activities with their own accounts and limits their dealings with hedge funds and private equity funds. The Volcker Rule aims to protect bank customers by preventing banks from making certain types of speculative investments that contributed to the 2008 financial crisis.
Wholesale Bank	Wholesale banking refers to banking services sold to large clients, such as other banks, other financial institutions, government agencies, large corporations, and real estate developers. It is the opposite of retail banking, which focuses on individual clients and small businesses. Typical services sold are mergers and acquisitions, consulting, currency conversion, and underwriting.
Working Capital	Working Capital is the difference between a company's current assets, such as cash, accounts receivable (customers' unpaid bills) and inventories of raw materials and finished goods, and its current liabilities, such as accounts payable.