

Glossary of Banking Terms and Definitions: Banking Terms that Begin With A

Banking Terms	Banking Definitions
AAA	AAA is a term or a grade that is used to rate a particular bond. It is the highest rated bond that gives maximum returns at the time of maturity. Usually the grade AAA is given to the best debt obligation or a security, by a credit rating agency.
ABA Transit Number	The ABA transit number is assigned by the American Bankers Association. It is a numeric coding that indicates and facilitates the amount of check payments, balances and dues that are to be cleared among different banks at the clearing house.
ABO	ABO is an abbreviation for the term 'Accumulated Benefit Obligation'. It is basically the measure of the liability of the pension plan of an organization and is calculated when the pension plan is to be terminated.
Absorption	Absorption is a term related to real estate, banking and finance fields. The word 'absorption' means the process of renting a real estate property that is newly built or is recently renovated.
Absorption Time	The term 'absorption time' is used to define the time period that is required to complete the process of absorption.
Abstract of title	The 'abstract of title' is a written report that defines records and identifies the history and ownerships of a particular asset, usually a real estate.
Acceleration	Acceleration is the process, where the lender demands a full and final payment of the debt or loan, before the allotted time period for repayment. A clause in the document of the debt usually empowers the lender to accelerate the time period.
Acceleration Clause	A clause in the debt document that empowers the lender to accelerate the payment, (i.e. or that is) the lender can demand the full amount of loan before the date of maturity.
Accelerated Depreciation	A method of depreciation of fixed assets, where the early deductions are greater in monetary terms and later ones are smaller.
Acceptance	Acceptance which is also known as the banker's acceptance is a signed instrument of acknowledgment that indicates the approval and acceptance of all terms and conditions of any agreement on behalf of the banker. It is a very wide term that is used in context with financial agreements and contracts.
Accepting House	An accepting house is a banking or finance organization that specializes in the service of acceptance and guarantee of bills of exchange. This organization specializes in two prominent functions, that is facilitating the different negotiable instruments and merchant banking.
Accepting Party	The party (either an individual or a group of individuals or organizations) that accept the terms and conditions of a proposed agreement or contract put forth by another party.
Account	An account is a record of all financial transactions that are related to an asset, individual, transaction or any organization. It is a major term in the field of accountancy and is conventionally denoted by the A/c. It can also be defined as a transaction between a buyer and a seller about payments and dues which develop creditor-debtor relations.
Account Aggregation	An online facility that is made available by some banks or financial organizations, in which all the transactions related to the bank account, credit facilities, debts and investments can be handled and operated with the help of a single interface or account. Account aggregation is a form of Internet banking, provided for ease of transaction.
Account Balance	The total amount of money in a particular bank account, along with the debit and credit amounts, the net amount is also termed as the account balance.
Account Reconciliation	Account reconciliation is a process with the help of which the account balance can be easily verified. Account reconciliation is usually done at the end of a week, month, financial year or at the end of any financial period. It is usually done with the help of receipts, ATM notes, bank statements etc.

Account Statement	A financial record that indicates the transaction and its effect on an account (usually bank account), in terms of debit and credit. Sometimes, an account statement also carries some precise details, like the date of transaction, code of transaction, mode of transaction, sales, purchases, etc.
Account Value	An account value is the total value of any account, applicable when a person has many accounts and transactions in the same bank or financial institution. The account value is a total value that is expressed in monetary terms.
Acknowledge	Indicates the acceptance of a document, agreement, proposal or a negotiable instrument by authenticating it with the help of a seal or a signature. Acknowledgment signifies that the terms and conditions of the contract have been accepted and the agreement authenticated.
Accessions	The new physical goods that are physically united to older goods, in the manner where identity, of both the goods remains the same, are known as accessions. For example, a new upgrade or addition on an

	already existing piece of machinery.
Accommodation Maker	A person who signs the note of application and renders his credit history during the process of application of a loan is called accommodation maker. The accommodation maker, usually receives no direct financial benefit from the loan. The term is also used in the concept of 'accommodation bills', when two or more people help each other by rendering liquidity of a negotiable instrument.
Account Analysis	The term 'account analysis' is used in basically two contexts. First, it is used to define the study and conclusion of a single account. Second, it is also a procedure, where the profitability of a single demand account or many demand accounts is projected and analyzed.
Account Control Agreement	An account control agreement is an agreement that perfects the interests of the creditor in a securities account.
Account Debtor	An account debtor is a person or an organization that is in debt and is obliged to pay either on an account or chattel paper or contract right. Account debtors are, sometimes, simply referred to as debtors.
Account Reconciliation Services	Account reconciliation services are basically services that specialize in the compilation of reconciliation documents and statements. Reconciliation services cater to the demands of individuals and huge organizations that have a large number of transactions taking place everyday.
Accounts Payable	Accounts payable is a list of liabilities of an organization or an individual that are due but not paid to creditors. Account payable, many a times, also appears as a current liability in the balance sheet. One must note that loans and liabilities to the bank which have not matured, are not a part of account payable.
Accretion	Accretion, is a process, where increments and periodic increases are made in the book value or the balance sheet value of an asset. In the field of banking and finance, accretion is the process where the price of a bond that has been bought at a discount is changed to the par value of the bond. It is also defined as a change in the price of a bond that has been bought at a discount to the par value of the bond.
Accretion Bond	An accretion bond is basically a bond that has been purchased at a discount and whose book value is incremented to the par value or the face value.
Accreting Swap	Accreting swap is a swap of interest which has an increasing notional amount.
Accrual Basis	Accrual is the process of accumulation of interest or money. Accrual basis, which is also known as accrual convention, is the method by which, investors, economists and businessmen count the number of days in a month or a year(s). Of the most common examples of accrual basis is the 30/360 convention, wherein the accrual basis is calculated by assuming that every month has 30 days. Accrual basis is often used as the common parameter for the calculation of interests and returns.
Accrual Bond	An accrual bond is also known as range bond. An accrual bond is a bond that has a tendency to pay the investors, an above the market rate. Sometimes, an accrual rate is also defined as a security that does not have a period payment for the rate of interest. The interest is accrued and then added later on at the time of maturity.
Accrual Convention	It is the method of calculating the time period on a specific investment by the investors. Accrual convention is many a times calculated with the help of different interest calculation mechanisms. Accrual convention is also known as accrual basis.
Accrued Interest	Accrued Interest is the interest, accumulated on an investment but is not yet paid. Often, accrued interest is also termed as interest receivable. Some banking books prefer to call it as the interest that is earned, but not yet paid.
Accumulated Depreciation	Accumulated depreciation is the total all the periodic reductions from the book value of fixed assets. It is also termed as an allowance for depreciation.
Accumulator	Accumulator is also known as capital appreciation bond. The accumulator is a type of security that is related to capital and is issued on face value, but the interest is not paid to the investor on the basis of the time period. Instead, the total amount of accrued interest is paid along with the face value upon the maturity of the security.
ACH	ACH is the abbreviation of the banking term automated clearing house. The automated clearing house operates on a national level and helps banks and financial institutions in the clearance of balances and negotiable instruments that are used at a personalized as well as a mercantile modes of transactions.
Active Tranche	Active tranche basically stands for REMIC or Real Estate Mortgage Investment Conduit. The REMIC tranche is basically a bond that is backed up by a large set of mortgages. The principal and interest that are paid by the borrowers, are transferred to the people who hold tranche (tranche refers to a portion or money) in REMIC.
Actual Delay Days	Actual delay days are also simply known as 'delay days'. The actual delay days are the actual days of the lag times. The lag time is the time period that starts after the expiry of the last date of repayment.
Adjustable Rate Mortgage (ARM)	Adjustable rate mortgage or ARM is basically a type of loan, where the rate of interest is calculated on the basis of the previously selected index rate. Due to this, the rate of interest that is charged differs periodically, usually in every month. Hence, the rate of interest and the total interest remain variable through out the term/time period

Adjusted Trading	Adjusted trading is a mercantile understanding between an investor and the broker or dealer. In this understanding, the investor overpays the broker) for a recently purchased security. As a return favor, the broker overpays the investor for the security or the investment that he wants to get rid of.
Administered Rates	Administered rates are the rates of interest which can be changed contractually by lender. In some cases, these rates can also be changed by the depositor and also the payee. The laws and provisions that monitor the concept of administered rates differ in each jurisdiction.
Administrative Float	Administrative float is the frame of elapsed time that is required in order to complete the paper work, in order to administratively sort the checks, or for that matter, any type of currency and negotiable instruments in the bank itself or in the clearing house.
Administrative Review	An administrative review is usually used in context to the appraisal of the book value of a real estate and basically, deals in the underwriting issues. The administrative review is usually written from the point of view of loan underwriting during an estate appraisal.
American Depository Receipt (ADR)	American depository receipts, also known as ADRs, are depository receipts which are equal to a specific number of shares of a corporate stock that has been issued in a foreign country. American depository receipts are traded only the United States of America.
American Institute of Certified Public Accountants (AICPA)	The American Institute of Certified Public Accountants (AICPA), is a national accountant's institute of the United States of America, that represents the certified public accountants, who conduct accounting operations in the spheres of business and industry, public practice, government, education and even NGO's.
Amortization of Loans	One should not confuse between 'amortization' as an accounting concept and amortization of loans. Amortization of loans is nothing but the process of liquidation of loans or securities with the help of periodic reductions. The principal amount of the loan is amortized periodically by the method of payments in installments. The techniques that are used for the amortization of a loan differs from case to case.
Amortization Period	Amortization period is the time period that is considered from the inception of the credit, investment or negotiable instrument and ends upon the maturity or expiry of the instrument. The amortization period is basically considered in order to calculate the rate of interest, time line of installments and also the appropriate amount of all the installments. The term 'amortization period' is also used in the field of accountancy; however, in a different context.
Amortizing Swap	Amortizing swap is a swap in the rate of interest that has a declining notional principal.
Alternative Minimum Tax	Alternative minimum tax, also known as the AMT, is a type of tax that is levied by the United States government and is a type of Federal income tax. The alternative minimum tax (AMT) is basically levied on the individuals and organizations that misuse and take advantage of tax benefit schemes that are in monetary terms exorbitant, if rationally compared to their annual incomes.

Analytical Solution	Analytical solutions, also known as closed form solutions, are simple mathematical techniques and models, used to calculate projections and interest rates by the lending, banking and finance organizations. Some of the analytical solutions are so simple and effective that the calculations can also be conducted orally, without writing it down on a paper or using a calculator.
Analytical VAR	An analytical VAR is also known as the correlation VAR. An analytical VAR is basically the measurement of a financial instrument, portfolio of the financial instruments or an entity's exposure to the reductions in its value resulting from changes in the prevailing interest rates.
Annual Percentage Rate (APR)	The annual percentage rate is calculated by dividing the total financing costs associated with a loan divided by the principal amount of the loan.
Annual Percentage Yield (APY)	The annual percentage yield or APY is basically a very accurate and calculated measure of yield that is paid on a standard bank deposit account.
Annuities	Annuities are contracts that guarantee income or return, in exchange of a huge sum of money that is deposited, either at the same time or is paid with the help of periodic payments. Some of the common types of annuities include the deferred, fixed, immediate or variable variants.
Anticipated Income Doctrine of Liquidity	The anticipated income doctrine of liquidity is basically an explanation of bank liquidity development in which the net cash flow of the borrowers is considered as the source of loan repayment instead of usual subsequent new borrowings.
Appraisal	An appraisal is basically a statement, document or an estimated rise or drastic climb in the price of a particular real estate. The term 'appraisal' is also used in connection to raising the book value of a real estate.
Appraisal Surplus	An appraisal surplus is the difference between the historical cost and the appraised cost of the real estate.
Arbitrage	Arbitrage is the simultaneous purchase and sale of two identical commodities or instruments. This simultaneous sale and purchase is done in order to take advantage of the price variations in two different markets. For example, purchase of gold in one nation and the simultaneous sale in another

	nation, (international markets) to achieve profit.
Arbitrage Free	Arbitrage free is a type of financial model that generates market structures that exclude scenarios generated by the arbitrage transactions and dealings.
Arbitrageur	An arbitrageur is an independent and individual broker who deals in arbitrage.
Article of Agreement	Article of agreement is a contractual provision, with the help of which a buyer purchases real estate from the seller over a period of time, and pays the consideration in installments. This type of agreement or contract is also known as a land contract.
As-extracted Collateral	As extracted collateral are extracted or non-extracted minerals created by a debtor having an interest in minerals, and are subject to security interest, either before or after extraction. In short, mined or non-mined minerals can also be used as collaterals.
Ascending Rate Bond	Security with which has a coupon rate that increases in previously defined increments at scheduled intervals, is termed as an ascending rate bond.
Asset Backed Security (ABS)	A security that is backed with the help of some kind of valuable assets, is known as an asset backed security. Sometimes, ABS is also referred to as the monthly rate of repayment of a secured loan.
Asset Sensitive	Asset sensitive is a sort of a position, wherein an increase in the rate of interest will help the investor and the decline in the rate will not be helpful at all.
Asset and Liability Management	Asset and liability management is the coordinated management of all the financial risks inherent in the business conducted by financial institutions. In real practice, asset and liability management aims at minimization of loss and maximization of profit.
Assets Repriced Before Liabilities	'Assets repriced before liabilities' is a term that is used to define a gap between the repricing of the assets and liabilities in a given period of time.
Assignee	Assignee is an individual or an organization or party to whom an assignment is made and commitment taken.
Assignment	In the field of banking and finance, an assignment is the transfer of any contractual agreement between two or more parties. The party that assigns the contract is the assignor and the party who receives the assignment is the assignee.
Assumable	Assumable is a very different type of mortgage loan application, where the new buyers of a real estate that has already been pledged as collateral, assumes the liability of a loan and also the ownership of the real estate.
Assumed name	An assumed name is a name which is assumed by an individual, organization or corporation in order to conduct business. It must be noted that the assumed name is always different from the original name of the corporation.
Asymmetric Behavior	Asymmetric behavior is the unbalanced behavior displayed by the financial instruments. It is said to be observed when the rates and value of instruments change in different proportions, in comparison to the market rates.
Attorney's Certificate of Title	The attorney's certificate of title is also known as the title option. This certificate is basically prepared by the attorney, in order to state the ownership and the lien priority of an asset, particularly a real estate.
Attrition Analysis	Attrition analysis is basically carried out for the purpose of reformation of the assets and liabilities in a balance sheet.
Audited Statements	Audited statements are supposed to be the most reliable statements. The audited statements are basically financial statements whose reliability and second effect (according to the double entry system) have been verified, cross checked and confirmed. The word 'audited' (audit), signifies the process of verification.
Authenticated Security Agreement	The agreement of security between debtor and banker is known as the authenticated security agreement and is accepted by the borrower. The acceptance process is done, online and then the agreement is down loaded and printed.
Authority	In the terms of banking, an authority is basically a governmental department or agency that is empowered by the judicial system of a nation to authenticate, legalize, conduct and monitor the functions that are related to banking, finance, economics and transactions.

Automated Clearing House (ACH)	An automatic clearing house is nation wide electronic clearing houses that monitors and administers the process of check and fund clearance between banks. The ACH is an electronic system and thus minimizes the human work in the process of clearance. It distributes credit and debit balances automatically.
Automated Teller Machines	Automated teller machines are basically used to conduct transactions with the bank, electronically. The automated teller machine is an excellent example of integration of computers and electronics into the field of banking.
Automatic Stay	The automatic stay is an injunction that automatically becomes effective, after any person or organization files for bankruptcy. The automatic stay basically precludes the creditors from taking the debtor or the property of the debtor.

Glossary of Banking Terms and Definitions: Banking Terms that Begin With B

Banking Terms	Banking Definitions
Balance	The balance is the actual amount of money that is left in the account. Sometimes, the term balance also refers to amount of the debt that is owed.
Balance Transfer	A balance transfer is the repayment of a credit debt with the help of another source of credit. In some cases, balance transfer also refers to transfer of funds from one account to another.
Balance Transfer Fee	The balance transfer fee is charged by the bank for the transfer of balances from one source of credit to another. It also refers to the transfer of fees from one bank account to another.
Bank	A bank is an establishment that helps individuals and organizations, in the issuing, lending, borrowing and safeguarding functions of money.
Bank Account	A bank account is an account held by a person with a bank, with the help of which the account holder can deposit, safeguard his money, earn interest and also make check payments.
Bank Debt	A bank debt is basically any debt that is owed to a bank, by any kind of consumer, organization or corporation. The debt may be anything from a bank loan to a credit card debt or an overdraft that has been used.
Bankruptcy	A bankruptcy refers to economic insolvency, wherein the person's assets are liquidated, to pay off all liabilities with the help of a bankruptcy trustee or a court of law.
Billing Cycle	A billing cycle is a time period that covers the credit statement that usually lasts for 25 days.
Bankruptcy Trustee	A bankruptcy trustee is an individual or a corporation or any organization that is appointed, in case of bankruptcy, in order to represent the interests of the bankruptcy estate and the insolvent debtor according to Chapter 7, Chapter 11 and Chapter 13.
Bankruptcy Advice	Bankruptcy advice is given by a bankruptcy lawyer or a bankruptcy counseling service, so that a person can overcome financial and economic difficulties after bankruptcy.
Billing Statement	A billing statement is a summary of all transactions, payments, purchases, finance charges and fees, that take place through a credit account during a billing cycle.

Bond	A bond is a certificate that represents an interest bearing debt, where the issuer is required to pay a sum of money periodically till the maturity, and then receive back the accumulated amount.
Borrower	A borrower is the party that uses any kind of credit facility and thus, becomes obliged to repay the principal amount and interest on the borrowed amount.
Bridge Financing	Also know as gap financing, bridge financing is a loan where the time and cash flow between a short term loan and a long term loan is filled up. Bridge financing begins at the end of the time period of the first loan and ends with the start of the time period of the second loan, thereby bridging the gap between two loans. It is also known as gap financing.
Bridge Loan	The bridge loan also known as a swing loan, is basically a real estate loan or a home loan, where the current residence/real estate is pledged by the borrower as a collateral in order to purchase a new residence.
Bounced Check	A bounced check is nothing but an ordinary bank check that any bank can refuse to encash or pay because of the fact that there are no sufficient finances in the bank account of the originator or drawer of the check.

Glossary of Banking Terms and Definitions: Banking Terms that Begin With C

Banking Terms	Banking Definitions
Cap	A cap is a limit that regulates the increase or decrease in the rate of interest and installments of an adjustable rate mortgage.
Capital	The term 'capital' means the total net worth of any business establishment, organization or corporation or the total amount invested for financial returns.
Capital Improvement	Capital improvement is the addition in the property of an organization that adds to its additional value.
Cardholder Agreement	The cardholder's agreement is a written statement that depicts all the terms and conditions of a credit card agreement. The cardholders' agreement constitutes many elements, such as rate of service charges, billing dispute remedies and communications with the credit card companies or service providers.
Cash	Bills and coins, checks and other negotiable instruments that are acceptable at banks and are considered to be liquid assets are collectively known as cash.
Cash Advance Fee	Cash advance fee is basically charged when a person uses a credit card to obtain cash. In most cases, it is charged as a percentage to the cash advance.
Cash Flow	The cash flow is often defined as the liquid balance of cash as well as the bank balance that is available with an organization or a corporation. In some cases, the cash flow is also defined as the net amount of cash that is generated by the net income that has been generated by an organization or corporation in a particular time period.
Cashier's Check	The cashier's check is drawn by a bank on its own name to make payments to other organizations, banks, corporations or even individuals.
Cash Reserve	The cash reserve is the total amount of cash that is present in the bank account and can also be withdrawn immediately.
Certificate of Deposit	The certificate of deposit is a certificate of savings deposit that promises the depositor the sum back along with appropriate interest.

Check	A check is a negotiable instrument that instructs the bank to pay a particular amount of money from the writer's bank, to the receiver of the check.
Clearing	Clearing of a check is basically a function that is executed at the clearing house, when all amount of the check is subtracted from the payer's account and then added to the payee's account.
Clearing House	The clearing house is a place where the representatives of the different banks meet for confirming and clearing all the checks and balances with each other. The clearing house, in most countries across the world, is managed by the central bank.
Central Bank	A central bank is the governing authority of all the other banks in a country.
Closing	Closing of an account is the final stage of any transaction where both the parties receive almost equal consideration from each other. The term 'closing' from ledger books where the two accounts are 'closed down' i.e. both debit and credit sides become equal.
Co-borrower	The co-borrower is a person who signs a promissory note as a guarantee that the loan would be repaid. Thus the co-borrower plays the role of a guarantor and is equally responsible for the loan.
Consumer Credit	Consumer credit is the credit and loan facility that is provided to the consumer for the purchase of goods, services and real estate property. Most consumer credit is unsecured with the help of a collateral.
Compound Interest	Compound interest is the interest that is 'compounded' on a sum of money that is deposited for a long time. The compound interest, unlike simple interest, is calculated by taking into consideration, the principal amount and the accumulated interest.
Credit Card Debt Consolidation Loan	Credit card debt consolidation loan is availed from a bank in order to pay off all credit card debts.
Credit Counseling	Credit counseling is a consultancy session where the credit counselor suggests debt relief solutions and debt management solutions to the clients.

Glossary of Banking Terms and Definitions: Banking Terms that Begin With D

Banking Terms	Banking Definitions
Debit	Debit is a banking term that indicates the amount of money that is owed by a borrower. It also indicates the amount that is payable, or the amount that has been deducted from an account. The origin of the term is from the concept of debit side of a ledger account.
Debt	A debt is any amount that is owed by an individual, organization or corporation to a bank.
Debit Card	A debit card is an instrument that was developed with digital cash technology, and is used when a consumer makes that payment first to the credit card company and then swipes the card. The debit card operates in the exact opposite manner of the credit card.
Deed	A deed is a very important document that indicates the ownership of an asset, especially a real estate. The deed is also used to convey the property from the seller to the buyer.
Default	A default is a scenario where the debtors of a bank are unable to repay the debt or the loan.
Demand Deposit	A demand deposit is an account that is used as a checking account.
Deposit Slip	A deposit slip is a bill of itemized nature and depicts the amount of paper money, coins and the check numbers that are being deposited into a bank account.
Depositor	The person who deposits money into a bank account is called a depositor.
Depreciation	The degradation in the book and monetary value of a fixed asset as a result of wear and tear in the course of time.
Debentures	Debentures are long term corporate bonds that are unsecured in nature. It must be noted that debenture holders are not protected by any collateral and tend to be treated like ordinary creditors
Discount	In the terms of banking, in the term 'discount' is used when any negotiable instrument is converted into cash. For example, a person can exchange a bearer check for cash with the amount being little less than the face value of the check. This method is used by merchants who are in a dire need for liquid finances. This definition is written from the banking point of view but has variable meanings.
Dividend	A dividend is a part of the profit that is earned by a corporation or joint stock companies, and is distributed amongst the shareholders.
Debt Management	Debt management is a process of managing debts and repaying creditors. Debt management is a very broad concept covering almost anything related to debts and their repayment.
Debt Consolidation Loan	A debt consolidation loan is a type of loan, where the bank or the lending institution provides the borrower with a loan that helps the borrower to pay off all his previous debts.
Debt Settlement	Debt settlement is a procedure wherein a person in debt negotiates the price with the lender of a loan, in order to reduce the installments and the rate of repayment, and ensure a fast and guaranteed repayment.
Debt Repayment	Debt repayment is the total process repayment of a debt along with the interest. Sometimes, the consolidation that is provided is also included in debt repayment.
Debt Recovery	Debt recovery is the process that is initiated by the banks and lending institutions, by various procedures like debt settlement or selling of collaterals.

Glossary of Banking Terms and Definitions: Banking Terms that Begin With E

Banking Terms	Banking Definitions
E-Cash	Also known as electronic cash and digital cash, e-cash is a technology where the banking organizations resort to the use of electronics, computers and other networks to execute transactions and transfer funds.
Early Withdrawal Penalty	An early withdrawal penalty is basically a penalty that is levied by a bank because of an early withdrawal of a fixed investment by any investor. There can be several types of early withdrawal penalties, like forfeiting the promised interest.
Earning Assets	Earning assets generate returns, either in the form of returns or in the form of interest or cash. One must note that in the case of earning assets, the owner does not have to take any daily efforts to achieve returns.
Encryption	Encryption is a process that is used to ensure the privacy and security of a person's confidential financial information. The actual process involves scrambling of the data of the person, in such a manner, so that only the person himself can see the data.
Exchange	An exchange is a trade of property, assets, goods or services for consideration of any kind.
Electronic Filing	Electronic filing is the method of filing of tax returns and tax forms on the Internet.
Earnest Money	An earnest money deposit is made by the buyer to the potential seller of a real estate, in the initial stages of

Deposit	negotiation of purchase.
Equity	Equity is the remainder balance between market value of a given property and the outstanding real estate debt that is to yet be paid. The equity is a risk that is basically borne by the lender.
Expiration Date	This term indicates the invalidity of a financial document or instrument, after a specified period of time.
Education Loan	An education loan, also known as student's loan, is specifically meant to provide forth borrower's expenditure towards education. In the majority of countries, educational loans tend to have a low rate of interest. The period of repayment also starts after the completion period of the loan.
Exchange Rate	An exchange rate is a basically a rate, with the help of which one country's currency can be exchanged with the currency of another country.
Endorsement	Endorsement is basically the handing over of rights of a financial/legal document or a negotiable instrument to another person. The person who hands over his/her rights is known as the endorser, and the person to whom the rights have been transferred is known as the endorsee.

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Face Value	Face value is the original value of any security or negotiable instrument.
Field Audits	Field audits are basically the audits that are conducted by bank officials, on the site itself, in order to assess the status and condition of the collateral. Many a times, field audits are also conducted in order to assess the financial situation of debtors, especially corporations, who have availed huge loans.
Final Maturity	A final maturity is the date of maturity when a last, single loan matures from a pool of loans. The final maturity indicates the total and final payment of the pool of mortgage loans.
Financial Instrument	A financial instrument is anything that ranges from cash, deed, negotiable instrument, or for that matter any written and authenticated evidence that shows the existence of a transaction or agreement.
Financial Intermediary	A financial intermediary is basically a party or person who acts as a link between a provider who provides securities and the user, who purchases the securities. Share brokers, and almost all the banks, are the best examples of financial intermediaries.
Financial Statement	A financial statement is a record of historical financial figures, reports and a record of assets, liabilities, capital, income and expenditure.
Fixtures	The term 'fixture' is used in the context of a real estate property, when assets like furniture are attached to the real estate and are also included in its book value. Banks, in many a cases, are known to include fixtures in the value, if the real estate property has been pledged as a collateral.
Forbearance Agreement	A forbearance agreement is an authenticated agreement between a debtor and a creditor, and is utilized by the creditor, when the debtor initiates a debt settlement or the loan is defaulted, or the former becomes bankrupt.
Foreclosure	A foreclosure is a standardized procedure where creditors like banks, are authorized to obtain the title of the real estate property that has been pledged as collateral.
Free Cash Flow	A free cash flow is basically is a total of financially liquid assets that does not include capital expenditures and dividends.
Fixed Rate Mortgage	A fixed rate mortgage is a home loan, for which the interest rate remains constant and fixed throughout the lifetime of loan.
Foreign Currency Surcharge	The foreign currency surcharge is is levied by some banks and credit card companies, when a credit card or an ATM is used in a foreign country.

Glossary of Banking Terms and Definitions: Banking Terms that Begin With G

Banking Terms	Banking Definitions
Government Bonds	A government bond, which is also known as a government security, is basically any security that is held with the government and has the highest possible rate of interest.
Gross Dividends	Gross dividends are basically the total amount of dividends that are earned by an individual, or corporation in a single accounting and tax year. It must be noted that capital gains are also included in gross dividends.
Gross Income Test	A gross income test, is a kind of test, where one can prove to any government authority that a person is one's dependent.
Grace Period	A grace period is an interest-free period that is to be given by a creditor to a debtor after the period of the loan gets over, before initiating the process of loss recovery. The grace period depends on the amount of the loan and also the credit score of the borrower.

Gross Income	Gross income is the total income of a person, organization or corporation in one financial year, before making any deductions.
Ground Rent	Ground rent is the amount of rent that a leaseholder pays periodically to the owner for using a piece of land.
Grant	A grant is any type of financial aid that is given by the government.
Guarantor	A guarantor is a creator of trust who takes the responsibility of the repayment of a loan, and is also, in some cases, liable and equally responsible for the repayment of the loan.

Glossary of Banking Terms and Definitions: Banking Terms that Begin With H

Banking Terms	Banking Definitions
Household Income	Household income is the income of all the members of one household put together. One must note that the income earned through the family business, is also counted in the household income.
Holding Period	The holding period is the time duration during which a capital asset is held/owned by an individual or corporation. The holding period is taken into consideration, while pledging the asset as collateral.
Home Equity Debt	A home equity debt is a debt, where the borrower's house is pledged as a collateral.
Hedge	Hedge is a strategy that is used to minimize the risk of a particular investment and maximize the returns of an investment. A 'hedge' strategy is, most of the times, implemented with the help of a hedge fund. This term has been written from the banker's point of view and may be interpreted differently in the field of finance.

Glossary of Banking Terms and Definitions: Banking Terms that Begin With I

Banking Terms	Banking Definitions
Installment Contract	An installment contract is a contract where the borrower, who is also the purchaser, pays a series of installments that includes the interest of the principal amount.
Interest	Interest is a charge that is paid by any borrower or debtor for the use of money, which is calculated on the basis of the rate of interest, time period of the debt and the principal amount that was borrowed. Interest is, sometimes, also titled as the 'cost of credit'.
Interest Accrual Rate	The interest accrual rate is a percentage of interest that is calculated on the basis of the rate of interest and is expressed in terms of annual percentage rate or APR.
Investment Property	An investment property is a real estate property that generates income for the owner, in terms of rent and lease.
Interest Rate	Interest rate is the percentage of principal amount that is paid as an interest for the use of money. Usually, the interest rate is decided by a country's central bank, on the basis of the economic conditions.
Internet Banking	Internet banking is a system wherein customers can conduct their transactions through the Internet. This kind of banking is also known as e-banking or online banking.
Installment Credit	Installment credit is a debt or loan that is to be returned to the lender in a set of periodic installments. Auto loans, home loans and other types of loans are included in installment credit.

Glossary of Banking Terms and Definitions: Banking Terms that Begin With J

Banking Terms	Banking Definitions
Joint and Several Liability	This is a legal term utilized to point that two or more entities are individually entirely responsible, instead of being collectively responsible.
Judgment Clause	This relates to a provision regarding bank notes of hand or guarantees, and includes the authorization of the borrowers or sureties given to the bank, to create a judgment lien, at any time after the completion of the legal instruments.
Judicial Lien	It pertains to an interest in the holdings, which are gained from judicial or court orders.
Jump Z-Tranche	A Z-tranche is a real estate mortgage investment conduit (REMIC), which is countenanced to obtain principal sums, before prior tranches are no longer active.
Junior Debt	The responsibilities of an issuing entity, for which quittance has contractually been considered, as a priority of miscellaneous liabilities of the same debtor.
Junior Creditor	A creditor who possesses junior debt.
Junk Bonds	This is a recognized term for high-yield sureties with quality standings below investment grade.

Glossary of Banking Terms and Definitions: Banking Terms that Begin With K

Banking Terms	Banking Definitions
Kappa	This is a Greek term utilized in the banking sector that relates to the sensitiveness of an option's rate to alterations in the unpredictability cost.
Key Rate Duration	This pertains to a measure of duration, which computes efficient or empirical duration by altering the market price for a particular maturity date on the yield curve, while keeping all other variables constant.
Knot Points	It relates to the points that are on the yield curve for which there are discernible rates for traded instruments.

Glossary of Banking Terms and Definitions: Banking Terms that Begin With L

Banking Terms	Banking Definitions
Land Contract	Otherwise known as an article of agreement, a land contract denotes a form of contract, wherein the buyer makes periodic installment payments to the seller, in order to buy a real estate. But, the title to the property is not transferred to the buyer, until he makes the final payment.
Land Flip	A colloquial expression used to denote a real estate fraud, wherein the prices of undeveloped property are artificially increased to high amounts, which are above the fair market value. This is often accomplished by a group of colluding buyers, who purchase and resell the same property, among its members, several times, each time increasing the price. When the price becomes unrealistically high, they sell the property or raise a loan for its development.
Lease	A contract, through which, the owner (lessor) of a certain property, allows another (lessee) to use the same for a specified period, in exchange for a value called the rent.
Letter of Credit	A document issued by a bank (on behalf of the buyer or the importer), stating its commitment to pay a third party (seller or the exporter), a specific amount, for the purchase of goods by its customer, who is the buyer. The seller has to meet the conditions given in the document and submit the relevant documents, in order to receive the payment. Letters of credit are mainly used in international trade transactions of huge amounts, wherein the customer and the supplier live in different countries.
Life Cap	The upper and lower limit for changes in the borrower's interest rate over the term of his/her loan.
Lifeline Account	A bank account meant for customers with low incomes. These accounts are characterized by little or no monthly fees and there is no strict rule regarding the minimum balance.
Liquidated Damages	A clause, which is commonly found in contracts, wherein the parties agree to pay a fixed amount, in case of any breach of the contractual provisions. The party, who violates the provisions has to pay the amount to the aggrieved party.
Lock-in Period	A guarantee given by the lender that there will be no change in the quoted mortgage rates for a specified period of time, which is called the lock-in period.

Long Term Debt	An amount owed for a period exceeding one year, from the date of last balance sheet/accounting year. Otherwise known as funded debts, long term debts refers to those loans, which become due, after one year from the last balance sheet/accounting year. Such debts can be a bank loan, bonds, mortgage, debenture, or other obligations.
Loss Given Default (LGD)	A term used to denote the actual loss incurred by a bank, in case of default by a debtor to pay off the loan. If there is any collateral pledged by the debtor, the value of such assets will be reduced from the loan amount.

Glossary of Banking Terms and Definitions: Banking Terms that Begin With M

Banking Terms	Banking Definitions
Mortgage	A mortgage is a legal agreement between the lender and borrower where real estate property is used as collateral for the loan, in order to secure the payment of the debt. According to the mortgage agreement, the lender of the loan is authorized to confiscate the property, the moment the borrower stops paying the installments.
Maturity	The term maturity is used to indicate the end of investment period of any fixed investment or security. After maturity, the investor is repaid the invested amount along with the interest that has been accumulated. For example, on the maturity of a one year fixed deposit, the invested sum along with the accumulated interest, is transferred by the bank to the account of the investor.
Maturity Date	Maturity date is the date on which the investment or security attains maturity.
Mortgage Refinance	A mortgage refinance involves the replacement of current debt with another debt with more convenient terms and conditions.

Market Value	Market value is the value at which the demand of consumers and the supply of the manufacturers decide the price of a commodity or service. The market value is the equilibrium point on the supply and demand graph, where the demand and supply curves meet. Thus, market value is decided on the basis of the number people who demand a commodity and the number of commodities that the sellers are capable of selling.
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Glossary of Banking Terms and Definitions: Banking Terms that Begin With N

Banking Terms	Banking Definitions
No Cash Out Refinance	A home loan, which is at a lower interest, an amount which does not go over the closing costs and the outstanding principal of the original mortgage.
No Documentation Loan	When the applicant furnishes minimum information, giving, only name, address, contact information for the employer and social security number, for the application of the loan, it is called a no-documentation loan.
Non-Recurring Closing Costs	A lump sum fees paid at a real estate set up, which includes appraisal, origination, title insurance, credit report and points, is referred to as non-recurring closing costs.
National Bank	A bank which is chartered by the federal government and is a member of the Federal Reserve System by default is called a national bank.
Net Operating Loss	A total loss that is calculated for a tax year and is attributed to business or casualty losses.
Net Income	The amount that is left after paying the taxes is called the net income.
Negative Amortization	When the monthly payment is unable to cover the principal and the interest due, there is a slow increase in the mortgage debt. This situation is termed as negative amortization.
Non-Liquid Asset	A possession or asset which cannot be changed into cash very easily is called non liquid asset.
Non Recourse Loan	A loan which is secured by collateral and for which the borrower is not personally liable, is called a non recourse loan.

Glossary of Banking Terms and Definitions: Banking Terms that Begin With O

Banking Terms	Banking Definitions
Original Principal Balance	The amount borrowed by any borrower is called the original principal balance.
Owner Financing	When the seller loans the whole sum or a part of it to a buyer, it is called owner financing.
Online Banking	The accessing of bank information, accounts and transactions with the help of a computer through the financial institution's website on the Internet is called online banking. It is also called Internet banking or e-banking

Overdraft	As the name suggests, it is a check or rather an amount of check ,which is above the balance available in the account of the payer.
Overdraft Protection	A service which permits a verification account to be connected to other savings or line of credit for facilitation of protection against overdrafts is called overdraft protection.

Origination Fee	The charges a lender or creditor levies for processing a loan. It includes cost of loan document preparation, verification of the credit history of the borrower and conducting an overall appraisal.
Ordinary Dividends	Dividends, which are a distribution of the profits of a company, are called ordinary dividends.
Ordinary Income	Income, not qualifying as a capital gain, is called ordinary income.
Offline Debit Card	This refers to a card which is issued by a bank and has a VISA or MasterCard logo on it. It can be issued, either instead of or along with a ATM card.
Open End Credit	Open end credit means a line of credit that can be used a number of times, up to a certain limit. Another name for this type of credit is charge account or revolving credit.

Glossary of Banking Terms and Definitions: Banking Terms that Begin With P

Banking Terms	Banking Definitions
Payee	Payee is the person to whom the money is to be paid by the payer.
Payer	Payer is the person who pays the money to the payee.
Penalty Rate	Extra payment made to workers for working more than normal working hours is called as penalty rate.
Personal Identification Number (PIN)	Personal identification number or PIN is a secret code of numbers and alphabets given to customers to perform transactions through an automatic teller machine or an ATM.
Point of Sale (POS)	Point of sale a terminal is where cash registers are replaced by computerized systems.
Posting Date	Posting date is the date on which outdoor advertisements hit the markets. Usually these dates are in multiples of five.
Pre-Qualification	A preliminary stage prior to bidding process, where the applicant is verified of whether he has the resources and the ability to do a given job.
Previous Balance	Previous balance is an outstanding amount which appears on the credit card statement on date when it is generated.
Principal	Principal is basic amount which is invested to yield returns over a certain period of time at a given rate of interest.

Glossary of Banking Terms and Definitions: Banking Terms that Begin With Q

Banking Terms	Banking Definitions
Qualified Opinion	An auditor's opinion mentioned in his report which holds some reservations regarding the process of audit is called as a qualified opinion.
Quality Spread	The difference between the yields of Treasury securities and non-Treasury securities, as a result of different ratings or quality, is termed as quality spread.
Quick Ratio	Quick ratio is also called as the acid-test ratio. It measures the company's liabilities and determines its position to pay off its obligations.

Glossary of Banking Terms and Definitions: Banking Terms that Begin With R

Banking Terms	Banking Definitions
Range Bonds	Bonds which cease the payments because the reference rate of the bond increases or decreases, as compared to predetermined rate on a given index.
Rate	A rate is a measure which forms the basis of any financial transaction.
Rate Covenant	Rate covenant in a municipal bond determines the rates to be charged to buyers.
Refinance	Refinance means clearing the current loan with the proceeds of a new one and using the same property for collateral.
Revolving Line of Credit	Revolving line of credit is a rule followed by the lender, which binds him to allow a certain credit to the borrower.
Rate Risk	Rate risk is the rate of return determined to attract capital on a given investment.
Rate Sensitive	Rate sensitive pertains to deposit account or security investment. If any changes are made to the related interest rate that causes variations in its demand and supply.
Real Estate	A piece of land developed or undeveloped which comes for a price.
Real Property	Real property refers to anything that is built on land.
Record Date	A date set by the issuer, on which an individual must own the shares, so as to be eligible to receive the dividend.
Reconveyance	In banking terms, reconveyance is transfer of property to its real owner, once the loan or the mortgage is paid off.
Redemption Fee	A commission or fee paid, when an agent or an individual sells an investment, such as mutual funds or annuity.
Reference Asset	An asset such as debt instrument which has a credit derivative is called as a reference asset.
Reference Rate	The basis of floating rate security is called as the reference rate.
Refunding	The act of paying back the amount or returning the funds is called as refunding.
Reinvestment Risk	The risk that arises from the fact that dividends or any yields may not be eligible for investment to earn the rate of interest is called as the reinvestment risk.
Relative Value	The liquidity, risk and return of one instrument in relation to another financial instrument is the relative value.
Repossession	Taking back of property by a seller or a lender from the buyer or the borrower due to default of payment.
Repricing	Repricing means a change in the rate of interest.
Reserve Account	An account which is maintained by depositing undistributed parts of profit for future needs is called as a reserve account.
Reserve Requirements	Cash money or liquidity that member banks need to hold with the Federal Reserve System.
Residual Value	The anticipated value that a company calculates, to sell its asset at the end of its full life.
Return on Capital	A measure which determines how a company will optimize its funds.
Returns	The yield or earning at the end of a given period at a given rate of interest.
Risk	The probability of threat, danger, damage, liability or loss is called as risk.

Glossary of Banking Terms and Definitions: Banking Terms that Begin With S

Banking Terms	Banking Definitions
Safekeeping	An arrangement for holding and protecting a customer's assets, like valuables, documents, etc. Such arrangements are commonly provided by banks and some financial institutions, usually for a fee. The customer is issued a safekeeping receipt, which indicates that the assets do not belong to the bank and they have to be returned to the customer, upon his request.
Same Day Funds	This banking term refers to the funds or money balances, which can be transferred or withdrawn on the same day of presenting and collection. In short, a transfer of money, which can be used by the recipient on the same day of transfer and this provision is subject to the net settlement of accounts between the bank, through which the money is sent and the receiving bank. This term is also used to refer to the transfer of federal funds from one bank to another over Fed wire and the transfers through the Clearing House Interbank Payments System

	(CHIPS) in New York.
Sale Contract	A sale contract refers to a written agreement between the buyer and the seller of an asset (usually real estate), with details regarding the terms and conditions of the sale.
Sale Leaseback	A sale of property, wherein the title is transferred to the buyer, on condition that the property will be leased to the seller on a long-term basis, after the sale.
Second Mortgage	Otherwise known as 'second trust', a second mortgage is a mortgage which is taken out on property, which has been pledged as security to ensure payment (collateral) of an original or first mortgage. A first mortgage has priority in settlement of claims, before all other subsequent mortgages. Unlike a first mortgage, a second mortgage has a shorter repayment term, with higher interest rates.
Secured Loan	A loan which is backed by a pledging of real or personal property (collateral) by the borrower to the lender. Unlike unsecured loans, which is backed by a mere promise by the borrower that he will repay the loan, in case of a secured loan, the lender can initiate legal action against the borrower to reclaim and sell the collateral (pledged property).
Security	Property or assets, which are pledged to the lender by the borrower, as a guarantee to the repayment of a loan.
Seller Broker	A person who finds a buyer for the seller of a property and aids the latter in negotiation, in lieu of a commission.
Seller Carry back	A form of financing, wherein the seller of a property finances the buyer, who finds it difficult to procure a loan or falls short of the amount needed to buy the property. In short, it is a part of the purchase amount, which the seller offers to finance. This term is also known as carry back loan or seller's second.
Seller's Market	A market, which has more buyers, as compared to the number of sellers. This condition leads to a rise in the prices, which is favorable for sellers.
Sort Code	A sort code is a specific number, which is assigned to a particular branch of a bank for internal purposes. Each branch is assigned with a sort code, which makes it easier to designate that particular branch of bank, than writing down the whole address.
Standard Payment Calculation	A method used to calculate the monthly payment required to repay a loan, based on the loan balance, term of the loan and the current interest rate.
Starter Home	A term used to denote a small house, which is inexpensive, and is often meant for first time home buyers.
Smart Cards	Unlike debit and credit cards (with magnetic stripes), smart cards possess a computer chip, which is used for data storage, processing and identification.
Syndicated Loan	A very large loan extended by a group of small banks to a single borrower, especially corporate borrowers. In most cases of syndicated loans, there will be a lead bank, which provides a part of the loan and syndicates the balance amount to other banks.

Glossary of Banking Terms and Definitions: Banking Terms that Begin With T

Banking Terms	Banking Definitions
Takedown Period	The time (period) when a borrower receives finances from a lender under a line of credit or loan commitment.
Takeout Commitments	This term relates to a written promise by a loaner to make a long-term financial arrangement to substitute or replace a short-run loan.
Term Insurance	It is the insurance for a certain time period which provides for no defrayal to the insured individual, excluding losses during the period, and that becomes null upon its expiration.
Term Note	A legal notice offered by a particular organization to investors through a dealer.
Term Structure of Interest Rates	This phrase relates to the relationship between interest rates on bonds of different due dates, generally described in the form of a chart, often known as a 'yield curve'.
Time Deposit	A kind of bank deposit which the investor is not able to withdraw, before a time fixed when making the deposit.
Time Draft	This term relates to a draft that is collectible at a particular future date.
Time Note	A 'time note' is a financial instrument, like a 'note of hand', which stipulates dates or a date of defrayal.
Time Value	This is the sum of money that an option's premium surpasses its intrinsic worth, and is also called as 'time premium'.
Times Interest Earned	It pertains to a measure of the financial trustworthiness of an organization, which is equal to Eb divided by interest.
Title Insurance	It is the insurance for the purpose of protecting a loaner or owner against loss, if there is any kind of a property ownership conflict.

Title Insurance Commitment	This term is concerned with the commitment which is brought out by a title insurance firm, and comprises the stipulations under which a title insurance policy will be made out.
Title Opinion	It pertains to a legal instrument confirming that a property title is clear and can be offered for sale in the market.
Title Search	This refers to the procedure of analyzing all applicable records to affirm that the vendor is the legal possessor of the property and that there are no liens or other claims undischarged.
Total Return Analysis	This term relates to the analysis of the real rate of return that is earned over a certain evaluation time period.
Total Return Swap	It is a kind of switch wherein an entity pays another entity according to the fixed rate in return for defrayals based on the return of a given asset.
Trade Credit	It is the credit which a company gives to another organization for the purpose of buying products or services.
Total Risk-Based Capital	The finances that are provided for startup companies and small businesses with prodigious growth abilities.
Trade Date	The day on which the actual transaction takes place; one to five days before the settlement period, according to the kind of transaction.
Trade Name	The incorporated legal name under which an organization carries out all its operations, functions, and dealings.
Trade Letter of Credit	This refers to a legal document that a customer asks for from his bank for the purpose of assuring that the defrayal for products would be transferred to the vendor.

Glossary of Banking Terms and Definitions: Banking Terms that Begin With U

Banking Terms	Banking Definitions
Unadvised Line	A line of credit which is sanctioned by the bank but not revealed to the borrower till the time of some particular occasion.
Uncertificated	This is a legal word that is utilized as an adjective to depict stocks, bonds, miscellaneous investments and deposit certificates, which are held in immaterial form as electronic computer records.
Uncovered	It is the condition of an option bearer who doesn't even possess an offsetting position in the underlying instrument.
Underwriter	Any investment or commercial financial firm or a securities house that works with an issuing entity for the purpose of selling a new issue.
Undivided Profits	This is a banking work for retained earnings.
Unexpected Loss or Unexpected Risk	The element or part of risk or loss which surpasses the anticipated amount.
Universal Life Insurance	A type of life insurance which blends term insurance protection with a savings element.
Unlimited Guaranty	A guarantee understanding which doesn't consist of any provisos limiting the amount of debt guaranteed.
Unqualified Opinion	A word used to depict a suggestion letter concomitant with scrutinized financial statements.
Upstream Guaranty	A word that is utilized to give a description of a guarantee of a loan to a borrowing entity, when the borrowing party is an owning company or shareholder of the surety.
Usury Laws	The state and federal jurisprudences setting up uttermost permissible rates of interest that can be charged on certain types of credit extensions to particular kinds of borrowers.

Glossary of Banking Terms and Definitions: Banking Terms that Begin With V

Banking Terms	Banking Definitions
Value At Risk (VAR)	The sum or portion of the value that is at stake of subject to loss from a variation in prevalent interest rates.
Value Based Management (VBM)	It is a structured approach to evaluate the performance of the company's unit managers or goods and services, in terms of the aggregate gains they render to stockholders.
Variable Life Insurance	This type of insurance is very similar to whole life insurance, wherein the cash worth is invested in equity or debt sureties.
Variable Rate Mortgage	This is just another term used for Adjustable Rate Mortgage (ARM).
Variance	This is a stats-related word which measures the distribution of information, like rates or costs around the mean.
Vector Path	A series of the rate of paying finances in advance, in succession that is chosen to contemplate an assumed rate of interest scenario.
Variance Swap	This relates to an OTC fiscal derivative which enables a person to speculate on or hedging jeopardies connected with unpredictability of some underlying product, such as an exchange rate, interest rate or stock index.
Vested Accumulated Benefit Obligation	The part of the conglomerated benefit obligation under a specified benefit plan to which the workers possess a legal right, even if their employment is terminated before retirement.

Glossary of Banking Terms and Definitions: Banking Terms that Begin With W

Banking Terms	Banking Definitions
Waiver	In banking terms, a waiver is relinquishing the rights. Sometimes also considered to be the exemption or settlement of a part of debt.
Warehouse Lines of Credit	Warehouse line of credit is a facility provided to the borrower to get a warehouse mortgage portfolio for future security.
Warehouse Receipt	A document or a statement which states the quantity and quality of the items at the warehouse for safekeeping.
Warranty Deed	A deed which states that the seller holds the clear title of the goods or real estate to be sold. This gives him or her the right to sell the title to a prospective buyer.
When-Issued (WI)	'When issued' or WI is a conditional transaction made due to its authorized security or debt obligation.
Whole Life Insurance	A whole life insurance is a contract between the insurer and the policy owner, that the insurer will pay the sum of money on the occurrence of the event mentioned in the policy to the insured. It's a concept wherein the insurer mitigates the loss caused to the insured on the basis of certain principles.
Wholesale Banking	Wholesale banking is a term used for banks which offer services to other corporate entities, large institutions and other financial institutions.
Wire Transfers	Wire transfers is an Electronic medium used while transferring of funds.
With Recourse	A term used to signify that a seller or a drawer will be liable in case of non-performance of asset or non-payment of an instrument.
Withdrawals	Removing of funds from a bank account is called as making a withdrawal.
Without Recourse	A term which signifies that the buyer is responsible for non-performance of an asset or non-payment of an instrument, instead of the seller.
Working Capital	In banking terms, working capital is defined as the difference between current assets and current liabilities.
Wraparound Mortgage	An arrangement, wherein existing mortgage is refinanced with more money, with a rate of interest ranging between the old rates and current market rates.
Writer	A writer is an entity or a financial institution which promises to sell a certain number of shares or stocks at a price before a certain date.

Glossary of Banking Terms and Definitions: Banking Terms that Begin With Y

Banking Terms	Banking Definitions
Yield Curve	Yield curve is a graph or a curve that shows the relationship between maturity dates and yield.
Yield	The returns earned on a stock or bonds, as per the effective rate of interest on the effective date, is called as a yield in the banking terms.
Yield Curve Risk	Yield curve risk is the huge risk involved in a fixed income instrument, due to major fluctuations in the market rates of interest.
Yield to Call (YTC)	The yield on a bond calculated on the supposition that the issuer will redeem the amount at the first call as stated on the bond's prospectus is called as yield to call.
Yield-to-Maturity (YTM)	The average annual yield that an investor receives because he holds it for life or till the maturity date is called as the yield to maturity.

Glossary of Banking Terms and Definitions: Banking Terms that Begin With Z

Banking Terms	Banking Definitions
Z score	Z score is a measure, used in the banking field, to determine the difference between a single data point and a normal data point.
Zero Balance Account	A bank account which does not require any minimum balance is termed as a zero balance account.
Zero Cost Collar	A type of arrangement, wherein, the borrower buys a cap from the bank and sells the floor. In this arrangement, the cost of the cap is recovered by sale proceeds of the floor or vice versa.
Zero Coupon Yield Curve	Zero coupon yield curve is also called as spot yield curve, and is used to determine discount factors.
Zoning	A government controlled area where only certain uses of the land are permitted is called zoning.
Zoning Variance	An exception made in the zoning rule by the local government is zoning variance.
Zero-Lot Line	Structure of a housing area such that every house has a designated plot. They may or may not have same walls.
Zero-Down-Payment Mortgage	Zero-down-payment mortgage is a type of mortgage given to a buyer who does not make any down payments while borrowing. The mortgage buyer borrows the amount at the entire purchase price.

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