

# Glossary



This Glossary includes descriptions of a variety of firms in the Banking and Finance sector. The below descriptions collated from a variety of sources including: The London Institute of Banking & Finance; Prospects; Target Jobs; and Bright Network.

Type of Firm	Description	Examples of Firms
<b>Professional Services</b>	<p>Many of the other business types below will also fit under the umbrella of "Professional Services". Essentially, Professional Services involves a range of different occupations that provide support to businesses in the form of advice or performing tertiary roles.</p> <p>Helping clients manage, support and grow their businesses covers a wide array of areas. Some of the key parts of professional services include:</p> <ul style="list-style-type: none"> <li>• Audit: reviewing the accounts of companies and organisations to ensure the validity and legality of their financial records</li> <li>• Tax: advising businesses on how to be more tax efficient or completing tax returns</li> <li>• Actuarial: calculating and assessing future financial risks and making predictions using models and statistics</li> <li>• Financial Advisory: advising businesses on investments and how to best manage their money</li> <li>• Consulting: working with businesses to reduce costs or reorganise for maximum efficiency</li> </ul>	<p>The overwhelming majority of Professional Services work is undertaken by four main firms, known as 'The Big Four'. These are: Deloitte, EY, KPMG and PwC.</p>
<b>Accounting</b>	<p>Accountants keep and maintain complex records of company's financial transactions, as well as reporting on things like business performance and plans for the future. Their main role is to balance the books, ensuring that income exceeds outgoings and that a company remains profitable.</p>	Deloitte, PwC, KPMG, EY.
<b>Business and Commercial Banking</b>	<p>Business and Commercial banking involves helping small and medium-sized businesses with their finances, by providing a range of services to keep them running smoothly and helping them to grow.</p> <p>The biggest users of banking and financial services in the UK are small and medium-size enterprises (SMEs). The range of services provided by business and commercial banking includes:</p> <ul style="list-style-type: none"> <li>• Lending money to set up or expand a business</li> <li>• Paying its staff</li> <li>• Paying their suppliers</li> <li>• Offering insurance and even foreign exchange</li> </ul>	RBS, HSBC, Barclays, Lloyds, Santander.
<b>Consulting</b>	<p>Financial consultants offer personalised advice to help investors build wealth. They may offer financial planning, identify well-suited investments, and guide insurance decisions. They often direct the buying and selling of investments, like stocks and bonds, on their clients' behalf.</p>	Alpha FMC, McKinsey & Co, EY, PwC.

Type of Firm	Description	Examples of Firms
<b>Global Derivatives</b>	The global derivatives market is a main pillar of the international financial system and the economy. Today, businesses around the world use derivatives to effectively hedge risks and reduce uncertainty about future prices. Derivatives contribute to economic growth and increase the efficiency of markets by improving price discovery for assets.	
<b>Insurance</b>	Insurance companies provide financial protection to individuals, companies and governments (called 'cover') in exchange for payment (called 'premiums').	Aviva, Legal & General, RSA Group, Prudential.
<b>Investment Banking</b>	<p>Corporate and investment banks provide financial advice and services to huge organisations including governments, agencies and very large or multinational companies. Sometimes it is known as global or merchant banking.</p> <p>Among their many functions corporate and investment banks:</p> <ul style="list-style-type: none"> <li>• Help large institutions raise finance to fund their business operations and activities</li> <li>• Make deals and merge with, or acquire, other companies often across international markets.</li> </ul>	Deutsche Bank, HSBC, Barclays, Goldman Sachs, Morgan Stanley, J.P. Morgan.
<b>Investments, Fund and Asset Management</b>	<p>The investment and fund management sector helps individuals and businesses use their savings and other financial assets to make a profit and generate income. The type of assets managed includes:</p> <ul style="list-style-type: none"> <li>• Stocks and shares (owning part of a company)</li> <li>• Bonds (a loan in which an investor provides money to a government or company and receives interest)</li> <li>• Foreign exchange (investing in currency fluctuations)</li> <li>• Property (residential and commercial)</li> <li>• Gold and other precious metals</li> <li>• Cash</li> </ul> <p>Most people in the UK own assets through their participation in workplace pensions. These pension schemes aim to help them generate an income in retirement, so they have more to live on than just the pension provided by the State (basic State pension).</p>	Blackrock, M&G, Fidelity.
<b>Pensions and Life Assurance</b>	<p>The pensions sector provides pension schemes to help people to save for retirement, either by investing their money in a workplace pension or in personal plans; and helps people to turn their pension pot into an income when they retire.</p> <p>The life assurance sector helps to support individuals for when they are no longer able to work or support their families, through a mixture of specialist advice, investment services and insurance.</p>	Standard Life, Aviva, Legal & General, Prudential, RSA Group.
<b>Retail Banking</b>	<p>Retail or high-street banks provide the everyday services that most people need to help them manage their money (e.g. personal bank account).</p> <p>Retail or high-street banks offer a range of services including:</p> <ul style="list-style-type: none"> <li>• Looking after current accounts</li> <li>• Processing payments such as debit cards and cheques</li> <li>• Offering short-term unsecured loans (credit cards)</li> <li>• Providing money management and savings accounts</li> <li>• Offering loans, mortgages and insurance</li> </ul>	RBS, HSBC, Barclays, Lloyds, Santander, Nationwide.