

# Contents

<b>CHAPTER 1</b>	
<b>THE BANKING SYSTEM IN ROMANIA</b>	<b>15</b>
1.1 The history of the Romanian banking system – brief presentation	16
1.2 The banking system in Romania after 1989	18
1.3 The National Bank of Romania and its role in the banking system	20
1.4 Banks - a main part of the Romanian banking system	27
1.5 The supervision and control of the National Bank of Romania	35
1.6 The balance sheet of the National Bank of Romania and of a bank, Romanian legal entity	37
1.7 Recent developments and perspectives	39
<i>Progress test</i>	48
<b>CHAPTER 2</b>	
<b>THE BANKING SYSTEM IN ENGLAND</b>	<b>65</b>
2.1 The evolution of the Bank of England	66
2.2 Functions of the Bank of England	69
2.3 Present - day role of the Bank of England	72
2.4 Banking today	77
<i>Progress test</i>	81
<b>CHAPTER 3</b>	
<b>OTHER BANKING SYSTEMS IN THE WORLD</b>	<b>85</b>
3.1 The United States of America banking system	86
3.1.1 <i>Formal structure of the Federal Reserve System</i>	86
3.1.2 <i>The realities of power</i>	88
3.1.3 <i>The instruments of Central Banking</i>	91
3.1.3.1 <i>Reserve requirements</i>	91
3.1.3.2 <i>Discounting and the discount rate</i>	92
3.1.3.3 <i>Open Market operations</i>	94
3.1.4 <i>Financial institutions</i>	96
3.1.5 <i>The regulation and structure of depositary institutions</i>	99
3.1.5.1 <i>The dual banking system</i>	99
3.1.5.2 <i>Multiple federal authorities</i>	99
3.1.5.3 <i>Deposit insurance and the FDIC</i>	100

3.1.5.4	<i>Bank size distribution and the McFadden Act</i>	103
3.1.5.5	<i>Savings banks and savings and loan associations</i>	104
3.1.5.6	<i>Mortgage-related financial institutions</i>	105
3.1.5.7	<i>Credit unions</i>	106
3.2	<i>The European System of Central Banks</i>	108
3.2.1	<i>Organization of the European System of Central Banks (ESCB);</i>	108
3.2.2	<i>Objectives and tasks of the European System of Central Banks</i>	112
3.2.3	<i>The European Central Bank (ECB)</i>	117
	<i>Progress test</i>	119

<b>CHAPTER 4</b>		
<b>MONEY SERVICES</b>		<b>123</b>
4.1	<i>Cash and cash instruments</i>	124
4.2	<i>Cheque – definition, parties involved, endorsement, types of endorsement</i>	125
4.3	<i>Remittance by post:</i>	126
4.3.1	<i>Cheque</i>	126
4.3.2	<i>Banker's draft</i>	127
4.3.3	<i>International Money Order</i>	129
4.3.4	<i>International Payment Order</i>	129
4.4	<i>Remittance telegraphically / electronically</i>	131
4.4.1	<i>Telegraphic transfer</i>	131
4.4.2	<i>Girobank/post office</i>	131
4.4.3	<i>Standing orders</i>	132
4.5	<i>Electronic Banking Services</i>	135
4.6	<i>SWIFT</i>	137
4.7	<i>The process of the Romanian cheque under the Law no. 59/1934 concerning the cheque, with the subsequent amendments</i>	141
4.7.1	<i>Introduction</i>	141
4.7.2	<i>The transmission of the cheque</i>	142
4.7.3	<i>The payment of the cheque</i>	142
4.7.4	<i>Types of cheques</i>	143
4.7.5	<i>The circulation of a cheque</i>	144
	<i>Progress test</i>	145

<b>CHAPTER 5</b>	
<b>ELECTRONIC BANKING SERVICES</b>	<b>155</b>
5.1 Introduction into e banking services	156
5.2 Concepts' definition regarding e-banking	162
5.2.1 <i>Development of electronic money in the Euro area; electronic money oversight, supervision and the Community regulatory framework</i>	167
5.2.2 <i>Services of e banking in Romania</i>	171
5.3 The legal framework in the e-services field	173
5.3.1 <i>The EU' S on-line Financial Services legal framework</i>	173
5.3.2 <i>The 'E' regulating provisions in Romania</i>	175
5.4 The risk management for e-banking activities and e-money	177
5.4.1 <i>Risk identification and risks analysis</i>	179
<i>Progress test</i>	196
<b>CHAPTER 6</b>	
<b>OTHER ELECTRONIC BANKING SERVICES</b>	<b>207</b>
6.1 Introduction in Electronic Funds Transfer - EFT	208
6.2 The banking cards	212
6.2.1 <i>General aspects</i>	212
6.2.2 <i>The typology of bankcards</i>	213
6.2.3 <i>The fraud</i>	220
6.3 Card market infrastructure	222
6.4 Bank Clearing System in the United Kingdom	224
<i>Progress test</i>	227
<b>CHAPTER 7</b>	
<b>BANKER – CUSTOMER RELATIONSHIP</b>	<b>229</b>
7.1 Introduction	230
7.2 Deposits and bank accounts – general overview	232
7.3 Bank's duties and rights in the United Kingdom	236
7.4 Customer's obligations to his bank in the United Kingdom	237
7.5 Banking procedures of opening an account in the United Kingdom and Romania	237
7.6 Procedures for the opening of “adults as individual customers” in a Romanian bank	240
7.7 Customer due diligence for banks	242
<i>Progress Test</i>	244

<b>CHAPTER 8</b>	
<b>RISKS MANAGEMENT</b>	<b>265</b>
8.1 General issues: definition of banking risks, importance of managing the banking risks	266
8.2 Managing risks	277
8.3 The prudential measures of the National Bank of Romania:	279
<i>Progress test</i>	290
<b>CHAPTER 9</b>	
<b>BANKS AND LENDING</b>	<b>315</b>
9.1 Introduction	316
9.2 Analyzing a new lending proposition	323
9.3 Lending money	325
9.4 Credit analysis	327
9.5 Working capital analysis and financial projections	330
<i>Progress test</i>	333
<b>GLOSSARY</b>	<b>339</b>
<b>BIBLIOGRAPHY</b>	<b>363</b>