

Who matters in the world's second-largest financial system is barely understood

FROM being a **1.** _____ (**2 words**) a decade ago, the financial clout of China now trails only that of America. By **2.** _____ (**2 words**) , it has three of the four largest banks, the two largest insurance companies, the second-largest stockmarket and a lengthening list of investment funds. Yet who makes the decisions in China is barely understood. The government and the Communist Party are **3.** _____ (**2 words**) with the managers of China's financial institutions. Working out who is really in charge is almost impossible.

A. _____ = the difference between the calculated approximation of a number and its exact mathematical value.

B. = _____ 1) the authority to make decisions, or the power to influence events, 2) a hard hit with your hand // *vliv, rána*

C. _____ = 1) to curl or twist one thing around another, 2) to connect one thing very closely with another // *proplést se, proplétat se*

Even attempting to do so takes you into **4.** _____ (**2 words**). Disclosing information about how the Chinese government works risks violating nebulous **5.** _____ (**2 words**) or sacrificing business opportunities. Many China-watchers will only speak face to face, concerned about using e-mails or phone calls to discuss what, in the West, would be standard chatter about the status of bankers and their supervisors.

D. _____ = not developed or clear enough to describe // *mlhavý*

Almost all of the credit for Chinese companies is **6.** _____ (**2 words**) its commercial banks. The country's bank chiefs are powerful men whose careers have been **7.** _____ (**2 words**). But none has the freedom of their peers in the West, not even those managing **8.** _____ (**2 words**) like Citigroup and RBS. Perhaps the only Western equivalents of a Chinese bank are the two American housing agencies, Fannie Mae and Freddie Mac—vast institutions with political mandates to **9.** _____ (**2 words**), and protection from the consequences of their role in **10.** _____ (**3 words**).

E. _____ = if animals or insects _____ a place, there are very many of them in it, so that they might cause damage or disease, informal to make a place or situation very unpleasant by being present in large numbers or quantities // *zamořit, prolézt*

Big credit decisions in China are **11.** _____ (**2 words**) by any one bank, nor any one banker. Credit is **12.** _____ (**3 words**) by central diktat. That process has extraordinary appeal to **13.** _____ (**2 words**) but is horribly inefficient for individual institutions. In recent weeks, for example, as the screws on lending **14.** _____ (**2 words**), favoured industrial companies have been getting urgent calls from their bankers demanding that they immediately **15.** _____ (**2 words**) their credit needs for months to come, or **16.** _____ (**5 words**) of uncertain duration. Firms that manage to load up on credit still suffer because they **17.** _____ (**3 words**) long before the money is actually needed.

F. _____ = [transitive] to help something progress and become more developed or successful, transitive], to suggest something for people to consider

G. _____ = to give someone or something a particular quality, // *vštípit, propůjčit* if you _____ something such as leaves or herbs, or if they _____, you put them into hot water in order to make a drink, medicine, or beauty treatment

H. _____ = to lift something or someone quickly with your hands or arms, to get something, usually something good or valuable, before someone else gets it // *nabírat, vybrat, posbírat*

I. _____ = to buy a lot of sth so that it is available when you need it

"The Chinese banks are **18.** _____ (**2 words**)," says one banker. "The State Council [the government's chief administrative arm] tells them to lend, and they lend." Overt controls increase in line with the amount of credit. Loans above \$500m are said to be **19.** _____ (**2 words**) by the State Council.

J. _____ = a service provided for the public, for example an electricity, water or gas supply

K. _____ = *zjevný, vyložený, jasný*

L. _____ = to check someone's character or reputation to find out if they are suitable for a particular job // *prokádovat, prověřit*

Something like four-fifths of the assets in the banking system are controlled by 17 institutions. In many ways, China Development Bank is easiest for an outsider to understand. It is vast, run by a powerful government official, **Chen Yuan** (son of Chen Yun, one of the "**20.** _____" (**2 words**) who created modern China), and supports projects that the government favours. Most of the other big banks are not explicitly run by the government, but regulators attend board meetings and senior management often includes a person with the title **21.** _____" (**3 words**), who represents the Communist Party.

Executives **22.** _____ (**2 words**) between institutions by **23** _____ (**2 words**). HSBC was stunned in 2006 when **Zhang Jianguo**, the president of Bank of Communications, in which it had taken a 20% stake, turned up as president of a key competitor, China Construction Bank, the country's second-largest financial institution. There was no consultation, nor **24.** _____ (**2 words**) of the move. China Construction Bank's chairman, **Guo Shuqing**, **25.** *is* _____ (**2 words**) to be in the running for a top political position: the move could have been **26.** _____ (**2 words**). Shifts of this kind have **27.** _____ (**4 words**) since the start of the year.

M. _____ = to shock and surprise someone so much that they cannot react immediately // *omráčit, překvapit*

N. _____ = the process by which one person comes after another as a king, queen, or leader // *následnost, posloupnost, nástupnictví*

O. _____ = expression used to give a summary // *ve skutečnosti, prakticky*

Some China-watchers reckon that those bankers who stay in their posts have more chance of developing their institutions into world-class businesses. This group includes **Jiang Jianqing**, chairman of ICBC, the world's largest bank **28. _____ (4 words)**, and possibly **Ma Weihua**, president of China Merchants Bank, often cited as the most dynamic of the mainland's big financial institutions (despite a **29. _____ (2 words)** by Fitch this week). Both institutions have been permitted to undertake **30. _____ (2 words)**. The **31. _____ (2 words)**, however, remains tightly controlled. ICBC abruptly **32. _____ (3 words)** a competition with Merchants to buy Hong Kong's Wing Lung Bank in 2008. The suspected reason? The government's reluctance to bid, **33. _____ (2 words)**, against itself.

Other parts of the financial system are no more transparent. **34. _____ (1 word)** the China Investment Corporation (CIC), China's sovereign-wealth fund, which was founded in 2007. For fund managers and companies **35. _____ (3 words)**, money, CIC's chief investment officer, **Gao Xiqing**, has become **36. _____ (3 words)**. But just how much autonomy Mr Gao has is uncertain. CIC's chief executive, **Lou Jiwei**, told a conference in Hong Kong on January 20th that two things would improve his organisation: more freedom from foreign authorities to make investments, which would doubtless be fostered by his second wish, more freedom to manage itself.

For many firms, **37. _____ (3 words)** are considered their greatest asset. The seed capital for China International Capital Corporation (CICC), which dominates **38. _____ (3 words)**, was provided by Morgan Stanley back in 1995. But Morgan has since been **39. _____ (5 words)** role. CICC is now run by **Levin Zhu**, son of Zhu Rongji, a former prime minister. Two CICC alumni, **Wu Shangzhi** and **Fang Fenglei**, run what are described as the most important private-equity firms in China—CDH Investments and Hopu Investment Management, **40. _____ (1 word)**.

P. _____

1 (Finance)

to agree to pay for an activity and accept financial responsibility for any losses it may make/ */schválit financování, zaručit se za*

The money raised will enable the company to _____ new business.

2 (Insurance)

to accept responsibility for an insurance policy so that money will be paid if loss or damage as stated in the policy happens // *zaručit se za*

to _____ an insurance policy

the company _____ the risk

3 (Stock Exchange)

to agree to buy shares that are not bought by the public when new shares are offered for sale, at a fixed price and on a particular day // *upsat*

As the rights issue is not fully _____, it is likely to fail if shares fall below 25 cents.

Q. _____ = expression used for saying that something happens separately to each of the people or things mentioned in the order in which they were mentioned