Name: ________________ Date: ________________

Banks are very important in our financial world. They keep money safe and help people and businesses with many services. Thanks to banks, we can save money, borrow money, and make financial transactions more easily. Without banks, daily life and the economy would be much more difficult.

One important service of banks is savings. People can open savings accounts to keep their money safe. They can also withdraw money when they need it. This gives people balance between saving and spending. Savings accounts help people plan for the future, for example for retirement or education.

Another important service is credit and debit. With a credit card, people can buy something now and pay later. With a debit card, people can spend money directly from their account. Every time we buy something, we make a transaction. These transactions are fast and safe with bank systems.

Banks also give loans. A very common loan is a mortgage, which helps people buy a house. When people take a mortgage, they must pay it back slowly with an interest rate. The interest rate is the extra money the bank asks for lending. Businesses also borrow money to grow, make new investments, and create jobs. This helps the economy develop.

In addition, banks offer insurance services. Insurance protects people from problems and risks. For example, if something happens to your car or house, you can make a claim, and the insurance company will pay some money. This makes life safer and less stressful.

Banks also follow government policies. Governments make rules to keep the banking system safe and fair. This control protects customers' balance, prevents fraud, and supports financial stability.

Conclusion: Banks are a big part of modern society. They give services such as savings, credit, debit, loans, mortgages, and insurance. With their policies and financial systems, they reduce risks and help people plan for the future. Because of this, banks are not only useful but also necessary for economic growth and personal security.

Summary

- Banks keep your money safe.

- Banks help people borrow money.
- Banks are watched by the government to make sure they are safe.

Name: ________________ Date: ________________

Multiple Choice Questions

Answer the following multiple choice questions about the reading.

1. What is one of the main functions of banks?

A. Keeping money safe
B. Building houses
C. Providing medical care
D. Selling groceries

2. What is it called when you put money into a bank?

A. Investing
B. Deposit
C. Spending
D. Withdrawal

3. What type of bank helps regular people with their money?

A. Commercial bank
B. Retail bank
C. Investment bank
D. Central bank

4. How do banks make money?

A. By printing money
B. By giving away money
C. By charging interest on loans
D. By selling stocks

5. Who watches over the banks to ensure they are safe and fair?

A. The government
B. The community
C. Other banks
D. The customers

Name: ________________ Date: ________________

Short Answer Questions

Answer the following short answer questions about the reading.

1. According to the reading passage, explain two ways that banks assist individuals with their finances.
2. The reading passage mentions that banks use deposited money to make loans. Explain what people or businesses might use these loans for, according to the passage.
3. Why is it important that the government watches over banks, according to the reading passage?

Name: ______________ Date: ______________

Vocabulary Matching

Instructions: For each term, draw a line connecting it to its definition.

Term	Line Connecting Term to Definition	Definition
Customer		Money borrowed that must be paid back.
loans		when the bank lets you borrow money
Banks		Someone who uses a bank's services.
Loan		Things you buy to make more money.
Investments		The ability to borrow money.
Interest Rate		A loan to buy a house.
retail banks		The possibility of something bad happening.
Credit		Banks that help businesses with their money
Risk		To take money out of an account.
money		A place to keep your money in a bank.
commercial banks		To put money into a bank account.
Mortgage		what you use to buy things
Account		putting money into your bank account
deposit		The percentage charged for borrowing money.
Withdraw		places where people keep their money safe
deposit		Banks that help regular people with their money

Name: ____________ Date: ____________

Think Pair Share

Instructions: Read and answer the question independently. Compare your answer with your partners. Work together to prepare what you will share.

Imagine you have saved some money. Would you prefer to keep it at home or in a bank? Explain your choice.	
I think... Before talking to your partner, answer the question using what you learned from the reading and your own background knowledge.	
My partner thinks... Take notes on your partners response. How is it different from yours? How is it the same?	
We will share... Decide together what you will share aloud with others.	