

## Lesson 5

## READ THIS STORY #1, Advanced

**Banks**

**Banks are competitive. They attempt to give an attractive rate of interest to get your attention. When you deposit your money in the bank, you are loaning it to them. They don't put it in a safe at the bank and hold it for you. They use your money to make money for themselves. A bank may loan your money to someone else or invest it in a company that will provide them a profit.**

**If you need funds, you can apply for a loan. The bank will decide if it can make a profit by loaning money to you. You will have to pay interest to the bank. The longer you use its money, the more interest you will have to pay.**