Banks Across Borders

Trace how past decisions shape banking today

GE.5.8 "Analyze the history and current trends of U.S. and international commercial banking."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline two past policy changes, circle two current banking trends, and write a 1 beside a sentence that connects a past decision to banking today.

How Banking Changed

1. In 1933, amid widespread bank failures, the United States created federal deposit insurance through the FDIC. This protection made customers less likely to rush for cash when rumors spread. For decades, federal law also kept many commercial banking activities separate from investment banking. In 1999, Congress removed key parts of that separation, allowing larger financial firms to combine services.

2. Banking also crossed borders as trade and finance expanded. Starting in 1988, the Basel Committee issued international capital standards to help banks withstand losses. These standards are agreements among regulators, not a single worldwide banking law. After the 2008 financial crisis, regulators adopted stronger capital and liquidity standards known as Basel III, though countries implemented them differently.

3. Today, customers deposit checks by phone and send money across borders without visiting a branch. Digital services speed payments, but cyberattacks and rapid online withdrawals create risks. In the United States, deposit insurance still protects eligible deposits. International banks must follow the rules of each country where they operate, even as they compete with digital payment companies.

TODAY'S BANKING TRADE-OFFS

Service	Opportunity and risk
Mobile deposits	Convenience; cyber risk
Cross-border transfers	More customers; multiple rulebooks

2 ANSWER WITH EVIDENCE

Use the passage

1. How did the bank failures of the 1930s lead to a protection that still matters today?

2. How did the 1999 law change what large U.S. financial firms could do?

3. Why might an international bank face different requirements in two countries even though Basel standards exist?

4. Compare one opportunity and one risk of mobile deposits with those of cross-border transfers.

3 YOUR TURN

Your own words

A U.S. bank plans to offer mobile accounts to customers in two countries. Write three sentences advising it on growth and safety, using one U.S. historical change, one international policy, and one current trend.

ANSWER KEY

Banks Across Borders

HIGH SCHOOL · GE.5.8

PART 1 · READ AND MARK

Underline two past policy changes, circle two current banking trends, and write a 1 beside a sentence that connects a past decision to banking today. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How did the bank failures of the 1930s lead to a protection that still matters today?	**The United States created FDIC deposit insurance after widespread failures. It still protects eligible deposits today.**
2	How did the 1999 law change what large U.S. financial firms could do?	**It removed key parts of the separation between commercial and investment banking, allowing larger firms to combine services.**
3	Why might an international bank face different requirements in two countries even though Basel standards exist?	**Basel standards are agreements among regulators, not one worldwide law, and countries implement them differently.**
4	Compare one opportunity and one risk of mobile deposits with those of cross-border transfers.	**Mobile deposits offer convenience but bring cyber risk. Cross-border transfers can bring more customers but require banks to navigate multiple rulebooks.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

Mobile accounts could attract customers, but the bank should protect its systems against cyberattacks. Because the United States created deposit insurance after bank failures, the bank should explain which deposits qualify for that protection. Before expanding, it should meet capital requirements shaped by Basel standards and check each country's banking rules.

Accept other accurate cause-and-effect explanations supported by the passage. For Part 3, look for three sentences that connect a U.S. historical change, an international policy, and a current trend to the bank's choices.