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THE ROLE AND SIGNIFICANCE OF MODERN BANKS

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Abstract
This article expands on role of modern banks in economy, basic functions, types and development of digital banking services. The role of banks in lending, working with deposits, providing investment services is substantiated by examples and facts. Also, through the opinions of industry scientists, the importance of banks in society is revealed.

Keywords: Bank, economy, commercial bank, state bank, digital bank, credit, deposit, internet banking, mobile application, investment, financial services.

Introduction

Banks are the heart of the modern economic system. They play an important role in the development of the country by hoarding, redistributing and redirecting financial resources to the economy. Banks are understood not only as a place where money is kept, but also as a means of promoting financial stability, supporting entrepreneurship and increasing social welfare.

Joseph Stiglitz, a distinguished scholar of finance, says: "Financial institutions are the bloodblood of society, through which resources flow from one place to another. And the banks are one of the most important organs of this system." Banks collect surplus funds from residents as deposits, and give them an income at the expense of interest. This is one of the main and oldest functions of the bank. By the end of 2024, household deposits in Uzbekistan increased by 25 trillion soums and reached 105 trillion soums. At the same time, the banks are constantly developing, the confidence of the population and entrepreneurs is growing in them.

Banks are an important instrument to promote economic activity in society. For example, new jobs will be created with the help of loans provided for entrepreneurs. According to the data, in 2025 the share of loans to small businesses in the country will be increased from the current 28% to 40% and will reach 120 trillion soums. Based on the needs of entrepreneurs, banks are planned to attract $ 6 billion in 2025 without foreign state guarantees. Local and international money transfers, utility bills and other financial transactions through banks are fast and safe. Especially during the pandemic, banking payment systems played a huge role in the provision of services to citizens remotely. Banks also act as intermediaries between investors and businesses. They also provide services for securities transactions, stock markets and project investments.

Banks are an economic stumbling block which plays an important role in economic and social development of the country. Today, not only in our country, but also around the world, demand for banking services arises in a completely new way. In this context, the role of banks in the economy is growing even more. In the past period our banks introduced several more modern banking services. In particular, Bank-Client service (which allows legal entities to constantly monitor and manage their accounts remotely, i.e. to make various payments independently), SMS-banking service (this service is an offline management of bank card funds via SMS), Internet banking (access of banking services via Internet browsers through the management of bank accounts and plastic cards online), These include mobile banking services – a type of service used by customers to make their payments and other operations using special mobile applications.

Modern banks are not only financial intermediaries, but also driving force of economic growth. Thanks to them, people can financially meet their needs, entrepreneurs can expand their business, and the state can implement major infrastructure projects. In today's digital age, banks are offering fast, safe and convenient services while adapting to the needs of customers. In particular, the cooperation with Internet banking, mobile applications and Fintech companies is taking the industry in a modern and innovative direction. At the same time, the proper use of banking services and increasing financial literacy serve the personal well-being of every citizen.

It is expected that in the future, artificial intelligence, blockchain technology and cryptocurrencies will become an integral part of the banking system. And this leads to new opportunities, responsibilities and risks. This means that in order to be comfortable with modern banks, everyone needs to be familiar with the requirements of the times. At the end of the speech, it is worth remembering the opinion of the famous economist Klaus Schwab: "In the context of the Fourth Industrial Revolution, the banking system will become not just a financial institution, but the heart of the digital world."

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