

Why do banks need money?

Published: January 13, 2026, 2:58 am

This is the third in my series of videos on money, banks and all things to do with them. I have explained [that money is just a promise to pay](#), and also explained [how banks create money](#) when you make a promise to pay them. But in that case why do they need to hold your cash when they don't lend it out? In this video I explain why

<https://youtu.be/fiAyiSNy13A>