

# Central banking system and its functions

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# Central bank

- Monetary authority of a country granted the exclusive privilege to lend a government its currency.

# Main functions

- controlling money supply
- money issuance
- setting the official interest rate
- implementing monetary policy

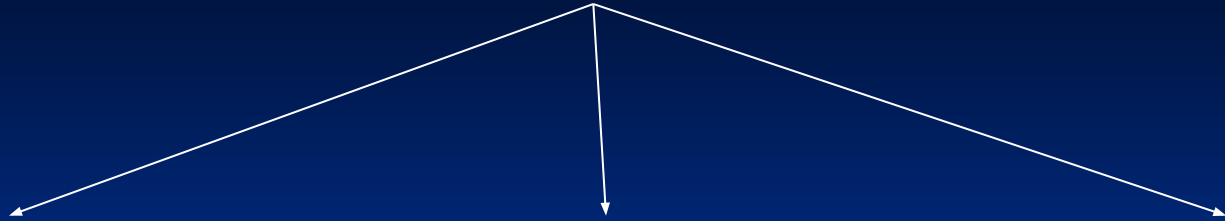
# Currency issuance



- Exclusive privilege of a central bank



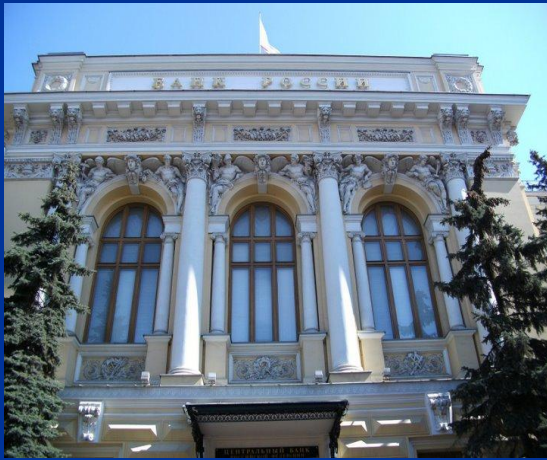
# Examples of naming



Bank of country

National bank of

Reserve bank of



# Main policy instruments

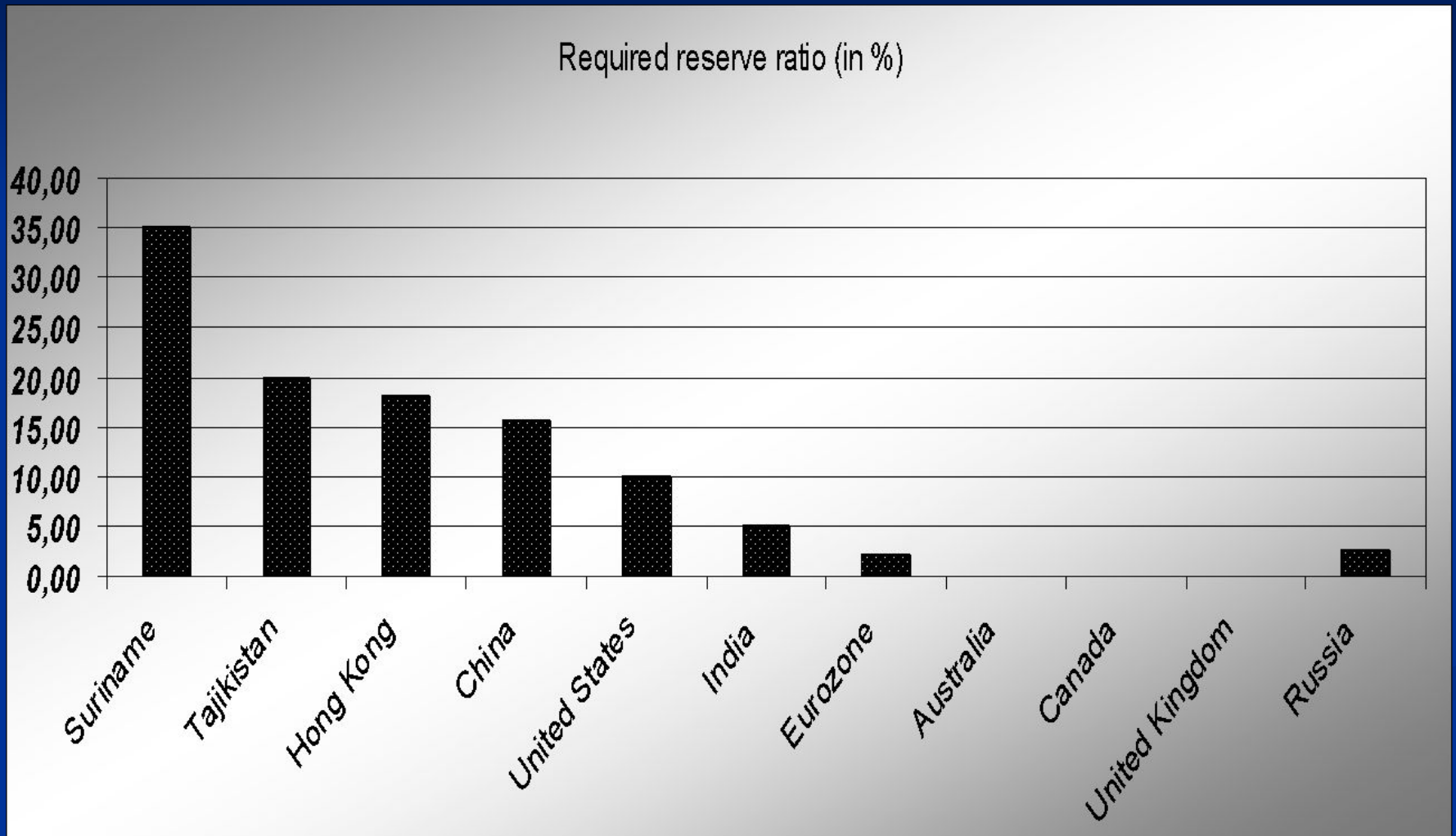
- Open market operations
- Reserve require ratio
- Discount rate policy

# Open market operations

- Do not require the immediate printing of new currency
- Most frequently used tool of central bank



# Required reserve ratio



# Discount rate policy

- Affect the balance between demand and supply
- Taken into account before starting business

# Conclusion

- Central bank system becomes the most important mean of economy policy in crisis period

Thank you for  
your attention.