Steering Monetary Policy Through Unprecedented Crises

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FUNCTION AND ROLE OF CENTRAL BANK

central bank of Malaysia: BNM
- controller and supervisor of institutions and banking system in Malaysia
banker for currency issue

keeper for international reserve and safeguard value of currency

agency responsible for monetary policy and management of financial system

banker to the banks

banker and financial adviser to the government

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- control over credit expansion in banking system
- currency in Malaysia is 'ringgit' and 'sen'
- promote monetary stability and sound financial structure
- influence credit stability
1) Quantitative measures
2) Qualitative measures
- gold and foreign exchange
- to safeguard the value of ringgit
- minimum external reserve 80.59% against the currency issue.
- licensing of banks and non-banks
- banking relationship
- foreign exchange distribution
- inspection and investigation of banks and non-banks
- lender of last resort
- management of governments
- source of funds to the government
- management of national debt
banker for currency issue

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  2) Qualitative measures

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