







# FUNCTION AND ROLE OF CENTRAL BANK Thecasesolutions.com

central bank of Malaysia : BNM
- controller and supervisor of institutions
and banking system in Malaysia



### banker for currency issue

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- control over credit expansion in banking system
- currency in Malyaysia is 'ringgit' and 'sen'



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- Promote monetary stability and sound financial structure
- · Influence credit stability
- 1) Quantitative measures
- 2) Qualitative measures

#### keeper for international reserve and safeguard value of currency

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- · gold and foreign exchange
- · to safeguard the value of ring
- minimum external reserve 80.59% against the currency issue.

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### banker to the banks

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- · Licensing of banks and non-banks
- · Banking relationship
- · Currency distribution
- Inspection and investigation of banks and non-banks
- Lender of last resort

banker and financial adviser to the government

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- management of governments
   account
- source of funds to the government
- management of national debt

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## agency responsible for monetary policy and management of financial system

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