

Difference Between Central Bank And Commercial Bank



. Central bank and commercial banks are one of the key parts of any financial system. Central Bank performs a role of Bankers to All Banks.

<u>CENTRAL BANK</u>	<u>COMMERCIAL BANK</u>
The central bank is the apex institution of the financial and banking structure of the nation	It is one of the structures of the money market.
Wholly owned by the government	Owned by share holders
It is a no-profit organization which implements the financial policies of the government	It is a profit making organization
It has the monopoly of note issue	It can only issues cheques
It is a banker to the government and does not involve itself in normal banking activities	It is a banker to public
It grants space to commercial banks in the form of rediscount facilities, keeps their cash reserves, and clears their balances	It gives loans to and accepts deposits from the public
The control of credits in accordance with the needs of business & economy is done by this bank.	Credit is created to meet the business requirements

It helps to establish financial organization so as to strengthen money & capital markets in a country	It helps industry by guaranteeing shares & debentures, & agriculture by meeting its monetary requirements through cooperative or individually
The chief of this bank is designated as “GOVERNOR”	The chief of this bank is called as “CHAIRMAN”
This bank is the guardian of the foreign currency reserves of the country	It is the dealer of foreign currencies
Each country will be having only one central bank with its offices at major centers of the country	There are several commercial banks with hundreds of branches within and outside the country

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