



**TASHKENT STATE UNIVERSITY
OF ECONOMICS**

COURSE: BANKING
**LECTURE 1. NATURE OF BANKING AND
FINANCIAL INTERMEDIATION**

LECTURER: U. DUSKOBILOV



LEARNING OBJECTIVES:

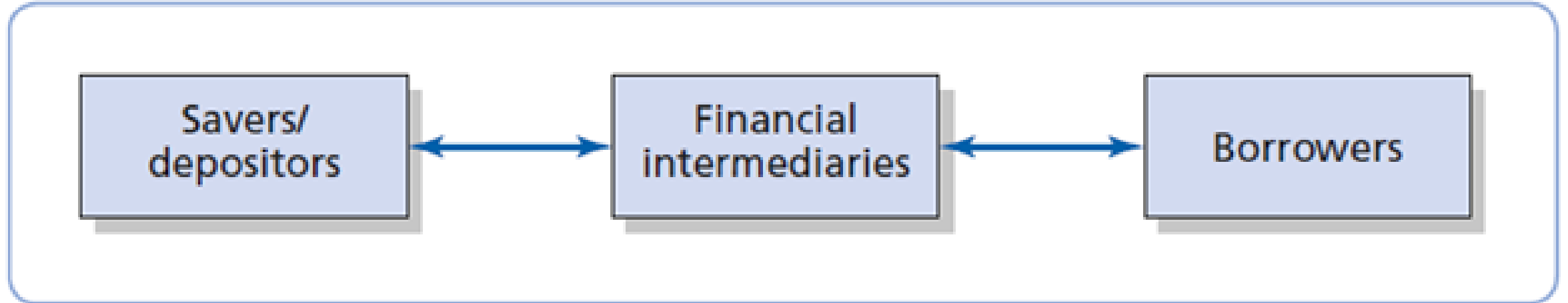


1. What is financial intermediation?

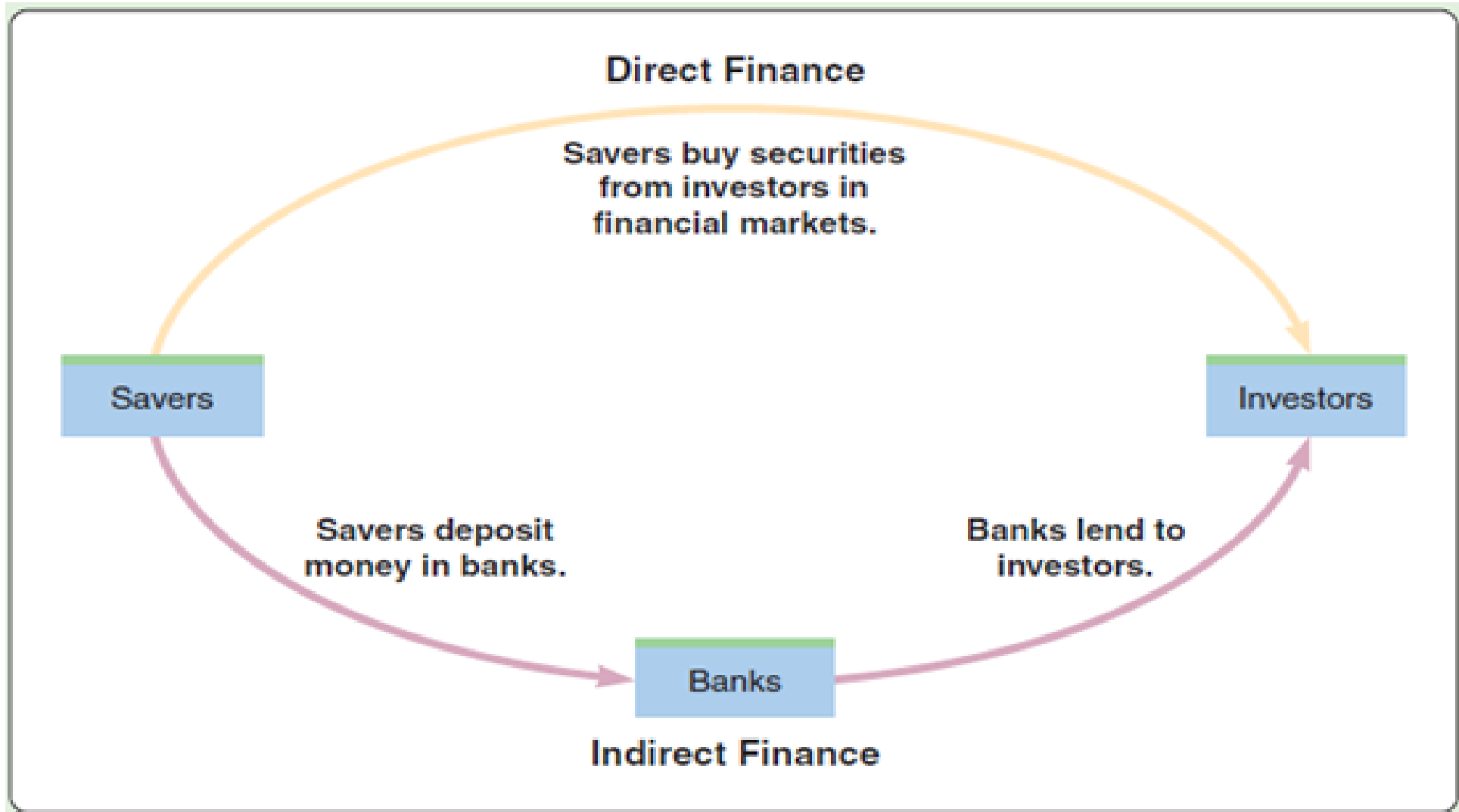
1. The role of banks in economy

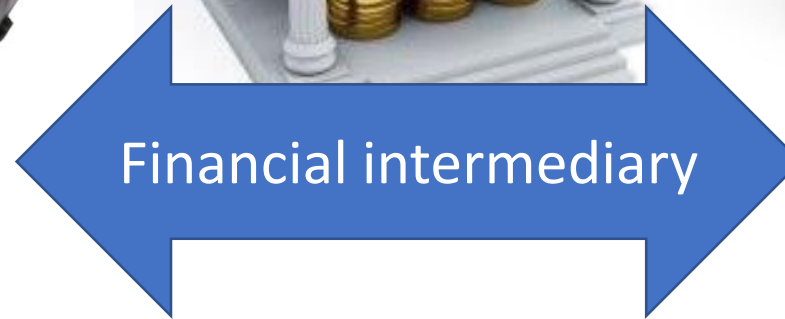
Asymmetric information in financial system

1. THE INTERMEDIATION FUNCTION



WAYS OF FINANCING

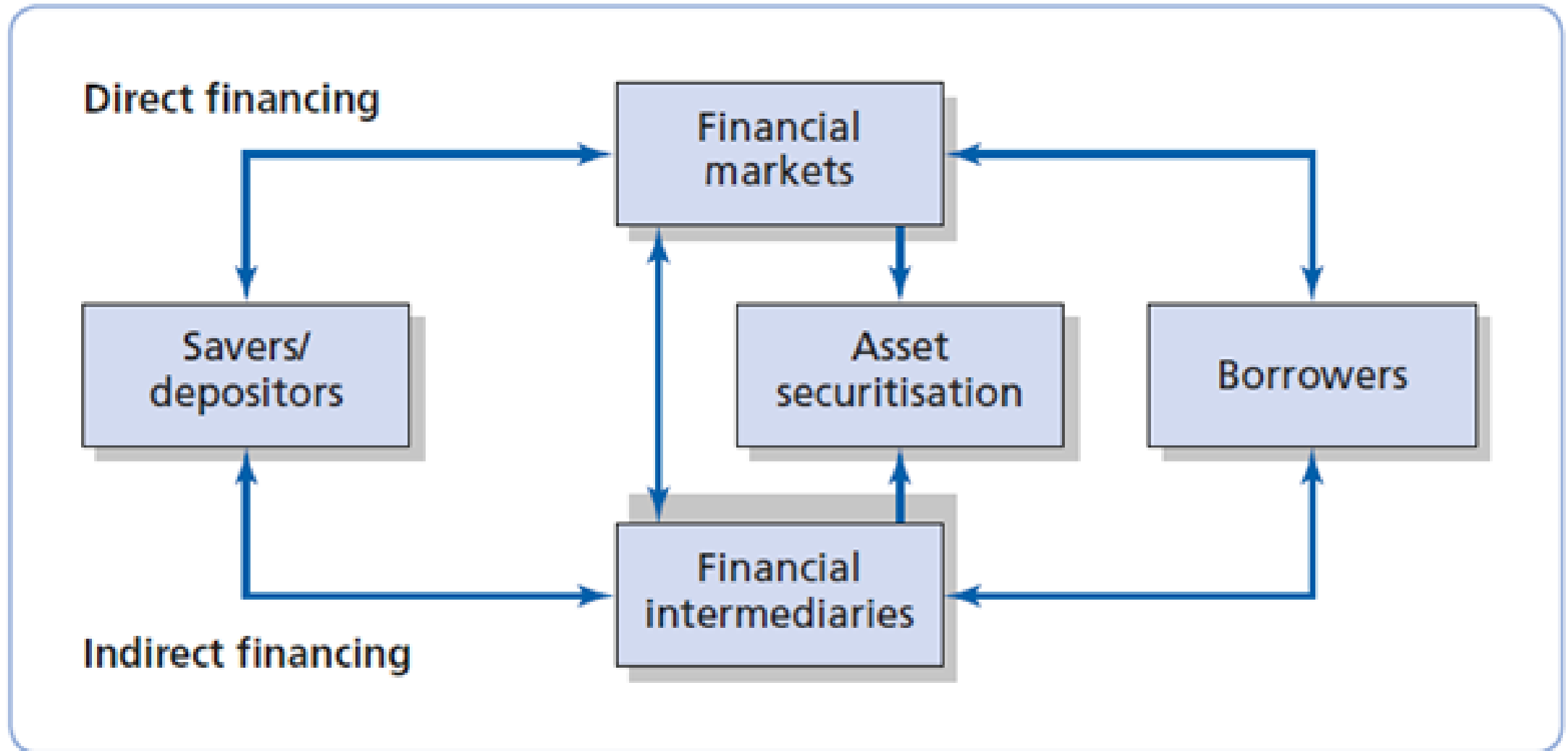




Short period and high return

Cheap and long period

Modern financial intermediation



2. The role of banks in economy

1.

- Size transformation

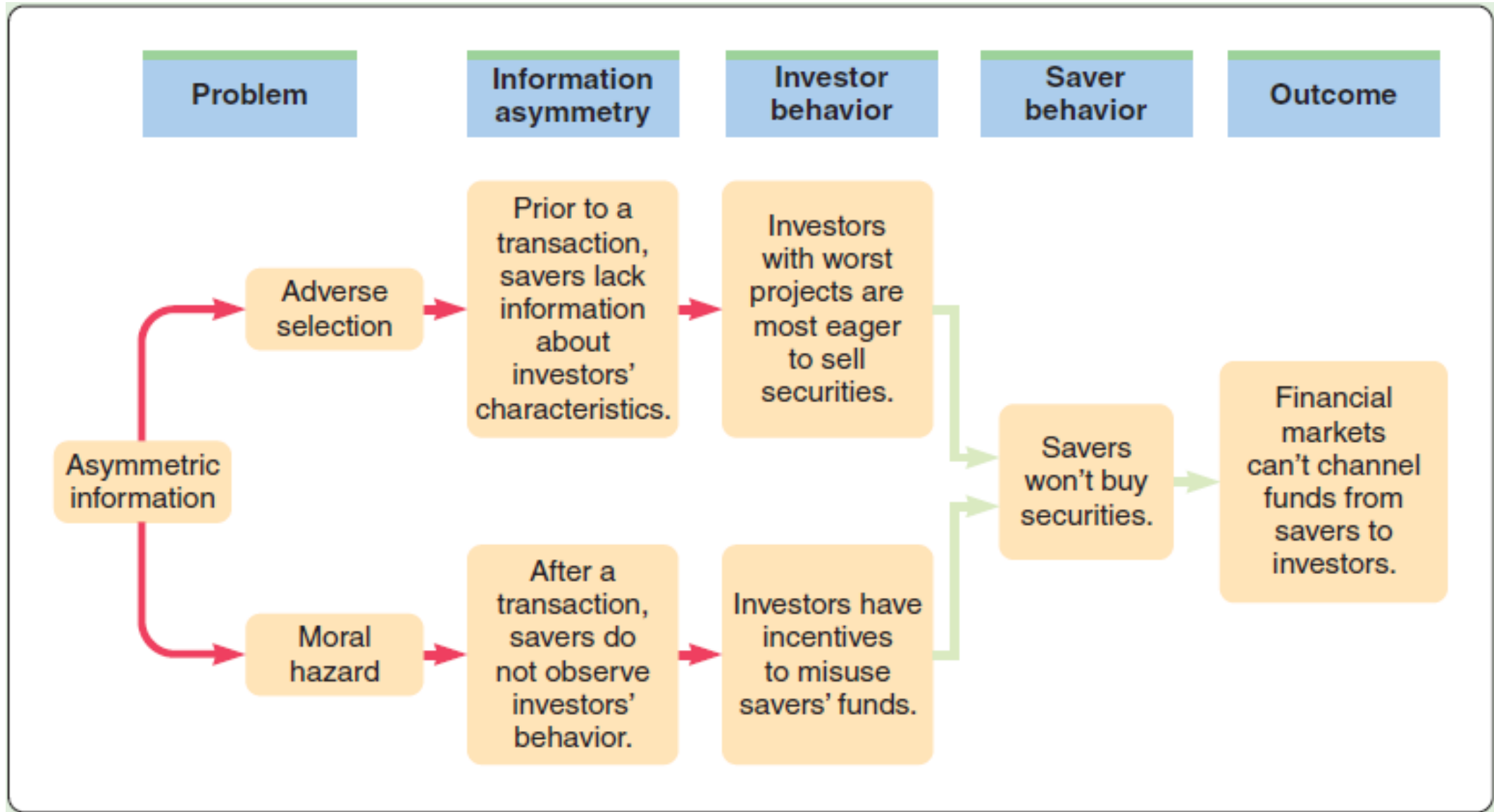
2.

- Maturity transformation

3.

- Risk transformation

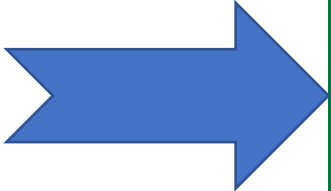
3. Asymmetric information in financial



EXAMPLE OF ADVERSE SELECTION



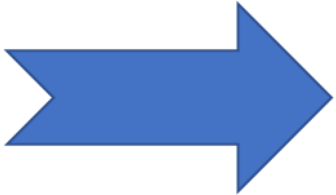
Messi



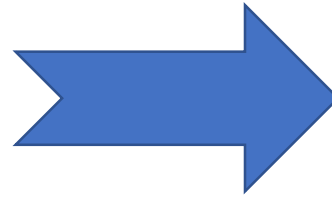
Bob



Gary



EXAMPLE OF MORAL HAZARD





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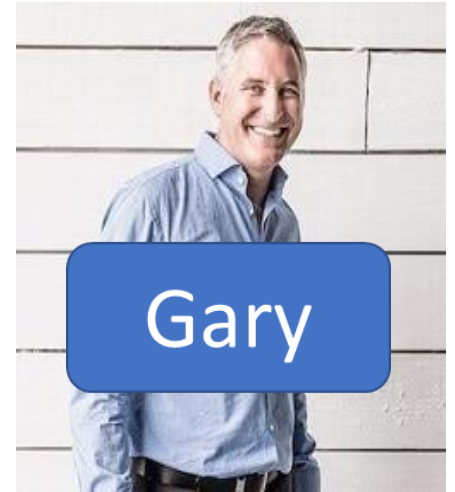
Deposits



Lends



Bob



Gary

THANK YOU FOR YOUR ATTENTION!!!