

# **The Capital Needs of Central Banks**

**Edited by Sue Milton and  
Peter Sinclair**

# Contents

<i>List of figures</i>	xi
<i>List of tables</i>	xii
<i>Notes on contributors</i>	xiii
<i>Acknowledgements</i>	xvii
<i>List of abbreviations</i>	xix
<b>1 Central banks' capital: an introduction</b>	<b>1</b>
PETER SINCLAIR AND SUE MILTON	
<b>2 Central bank finances and independence: how much capital should a central bank have?</b>	<b>33</b>
ALEX CUKIERMAN	
<b>3 Central bank financial strength and macroeconomic policy performance</b>	<b>47</b>
PETER STELLA	
<b>4 Financing the central bank: capital adequacy and financial independence – an accountant's perspective</b>	<b>69</b>
ROBIN DARBYSHIRE	
<b>5 Securing financial independence in the legal basis of a central bank</b>	<b>83</b>
FABIAN AMTENBRINK	
<b>6 Central bank capital adequacy for central banks with or without a monetary policy</b>	<b>96</b>
LUCA PAPI	

x *Contents*

<b>7 Exchange rate appreciation and negative central bank capital: is there a problem?</b>	107
JAN FRAIT AND TOMÁŠ HOLUB	
<b>8 Central bank losses, electronic money and contestable central banking</b>	132
YÜKSEL GÖRMEZ	
<b>9 Funding models for central banks: the European Central Bank – a special case?</b>	145
IAN INGRAM	
<b>10 Central bank funding models and their risk–return profile</b>	169
J. RAMÓN MARTÍNEZ-RESANO	
<b>11 How ALM techniques can help central banks</b>	184
AËGE BAKKER, HAN VAN DER HOORN AND LEONARD ZWIKKER	
<i>Index</i>	199