

# Provisional Data on Monetary Aggregates as on May 5<sup>th</sup> 2017

## 1) Broad Money (M2)

| Components                                |  | Stocks at<br>End-June 2016 | Flows            |                  | Monetary Impact Since   |                 |
|---|--|----------------------------|------------------|------------------|-------------------------|-----------------|
|   |  |                            | FY 15            | FY 16            | 1 <sup>st</sup> July to |                 |
|   |  |                            |                  |                  | 5-May-17 <sup>P</sup>   | 6-May-16        |
| A.  | Currency in Circulation                                  | 3,333,784                  | 376,877          | 779,035          | 280,663                 | 562,169         |
| B.  | Other Deposits with SBP                                  | 18,756                     | 2,057            | 5,009            | 3,894                   | 5,849           |
| C.  | Total Demand & Time Deposits incl. RFCDs <sup>1</sup>    | 9,472,313                  | 936,627          | 758,665          | 651,844                 | 148,921         |
|   | of which Residents Foreign Currency Deposits (RFCDs)     | 587,258                    | -1,624           | -10,502          | 14,831                  | -5,754          |
| <b>Broad Money (M2) (A+B+C)</b>           |  | <b>12,824,853</b>          | <b>1,315,561</b> | <b>1,542,708</b> | <b>936,401</b>          | <b>716,940</b>  |
| Growth                                    |  |                            | 13.20%           | 13.67%           | 7.30%                   | 6.35%           |
| <b>Factors Affecting Broad Money (M2)</b> |  |                            |                  |                  |                         |                 |
| A.  | <b>Net Foreign Assets of the Banking System</b>          | <b>1,007,598</b>           | <b>219,705</b>   | <b>194,851</b>   | <b>-393,787</b>         | <b>112,876</b>  |
|   | (i) State Bank of Pakistan                               | 1,033,016                  | 240,729          | 310,602          | -213,470                | 126,391         |
|   | (ii) Scheduled Banks                                     | -25,418                    | -21,024          | -115,750         | -180,317                | -13,514         |
| B.  | <b>Net Domestic Assets of the Banking System (1+2+3)</b> | <b>11,817,255</b>          | <b>1,095,856</b> | <b>1,347,857</b> | <b>1,330,187</b>        | <b>604,063</b>  |
|   | (i) State Bank of Pakistan                               | 2,533,251                  | 140,809          | 514,369          | 588,714                 | 549,569         |
|   | (ii) Scheduled Banks                                     | 9,284,004                  | 955,047          | 833,488          | 741,473                 | 54,495          |
|   | Growth   |                            | 11.69%           | 12.87%           | 11.26%                  | 5.77%           |
| 1.  | <b>Net Government Sector Borrowings (a+b+c)</b>          | <b>7,819,545</b>           | <b>932,986</b>   | <b>861,330</b>   | <b>847,023</b>          | <b>513,288</b>  |
|   | <b>a. Borrowings for Budgetary Support<sup>2</sup></b>   | <b>7,194,814</b>           | <b>861,025</b>   | <b>791,255</b>   | <b>928,825</b>          | <b>573,786</b>  |
|   | (i) From SBP   | 1,442,243                  | -474,103         | -486,625         | 947,304                 | -59,821         |
|   | a) Federal Government                                    | 1,730,308                  | -462,218         | -368,325         | 1,004,509               | 30,480          |
|   | of which deposits with SBP                               | -329,211                   | 149,067          | -93,346          | 167,421                 | 37,711          |
|   | b) Provincial Government                                 | -278,291                   | -13,061          | -110,246         | -55,261                 | -81,154         |
|   | Balochistan Government                                   | -18,257                    | -14,517          | 23,913           | -27,391                 | 3,166           |
|   | Khyber Pakhtunkhwa Government                            | -76,020                    | 21,429           | -48,357          | 23,651                  | -19,421         |
|   | Punjab Government  | -96,432                    | -5,132           | -22,049          | -44,874                 | 2,710           |
|   | Sindh Government   | -87,581                    | -14,841          | -63,753          | -6,646                  | -67,609         |
|   | c) AJK Government  | 955                        | 2,246            | -2,093           | 724                     | 198             |
|   | d) Gilgit-Baltistan                                      | -10,730                    | -1,071           | -5,961           | -2,668                  | -9,345          |
|   | (ii) From Scheduled banks                                | 5,752,571                  | 1,335,128        | 1,277,880        | -18,479                 | 633,607         |
|   | a) Federal Government                                    | 6,270,024                  | 1,413,296        | 1,364,906        | 95,474                  | 676,855         |
|   | of which deposits with banks <sup>3</sup>                | -716,773                   | -82,201          | -162,784         | -66,450                 | -147,525        |
|   | b) Provincial Government                                 | -517,453                   | -78,168          | -87,026          | -113,953                | -43,249         |
|   | of which deposits with banks <sup>3</sup>                | -518,477                   | -78,168          | -87,026          | -113,953                | -43,249         |
|   | <b>b. Commodity Operations</b>                           | <b>636,574</b>             | <b>72,019</b>    | <b>72,115</b>    | <b>-84,278</b>          | <b>-59,976</b>  |
|   | <b>c. Others</b>   | <b>-11,843</b>             | <b>-58</b>       | <b>-2,040</b>    | <b>2,475</b>            | <b>-521</b>     |
| 2.  | <b>Credit to Non-Government Sector (a+b+c+d)</b>         | <b>5,012,588</b>           | <b>303,459</b>   | <b>556,586</b>   | <b>736,100</b>          | <b>342,780</b>  |
|   | <b>a. Credit to Private Sector</b>                       | <b>4,449,547</b>           | <b>223,847</b>   | <b>446,463</b>   | <b>507,168</b>          | <b>307,434</b>  |
|   | Conventional Banking Branches                            | 3,729,733                  | 95,310           | 291,970          | 297,984                 | 159,996         |
|   | Islamic Banks  | 488,967                    | 71,553           | 116,926          | 119,194                 | 121,608         |
|   | Islamic Banking Branches of Conventional Banks           | 230,847                    | 56,983           | 37,567           | 89,989                  | 25,830          |
|   | <b>b. Credit to Public Sectors Enterprises (PSEs)</b>    | <b>568,057</b>             | <b>79,957</b>    | <b>109,317</b>   | <b>225,113</b>          | <b>34,902</b>   |
|   | <b>c. PSEs Special Account-Debt Repayment with SBP</b>   | <b>-24,244</b>             | <b>0</b>         | <b>-169</b>      | <b>0</b>                | <b>-169</b>     |
|   | <b>d. Credit to NBFIs</b>                                | <b>19,228</b>              | <b>-345</b>      | <b>975</b>       | <b>3,819</b>            | <b>613</b>      |
| 3.  | <b>Other Items (net)</b>                                 | <b>-1,014,878</b>          | <b>-140,589</b>  | <b>-70,060</b>   | <b>-252,935</b>         | <b>-252,005</b> |
| <b>Broad Money (M2) (A+B)</b>             |  | <b>12,824,853</b>          | <b>1,315,561</b> | <b>1,542,708</b> | <b>936,401</b>          | <b>716,940</b>  |
| Growth                                    |  |                            | 13.20%           | 13.67%           | 7.30%                   | 6.35%           |

|   |   |           |           |           |         |         |
|---|---|-----------|-----------|-----------|---------|---------|
| <b>Memorandum Items</b>                                 |   |           |           |           |         |         |
|   | Accrued profit on SBP holdings of MRTBs/MTBs            | 30,482    | -39,878   | -11,709   | 10,814  | -13,798 |
|   | Outstanding amount of MTBs (realized value in auctions) | 2,614,243 | 600,181   | 488,888   | 906,865 | -81,534 |
| <b>Net Government Budgetary Borrowings (cash basis)</b> |   |           |           |           |         |         |
|   | From SBP  | 7,117,041 | 888,325   | 787,115   | 905,858 | 585,660 |
|   | From Scheduled Banks                                    | 1,411,761 | -434,225  | -474,915  | 936,491 | -46,023 |
|   |   | 5,705,281 | 1,322,550 | 1,262,030 | -30,633 | 631,682 |

P. Provisional R-Revised

1/ Excluding inter-bank deposits, deposits of governments and foreign constituents.

2/ Government's borrowing net of Federal, Provincial, Azad Kashmir's and Gilgit-Baltistan's deposit with SBP and Scheduled Banks. The (-) sign in govt. deposits shows a credit balance whereas (+) sign shows their debtor/withdrawal from the system

3/ Data on government deposits with scheduled banks are available only on monthly basis therefore, the previous month data were repeated in subsequent weeks till the availability of latest month data.

**Government's borrowing mechanisms from the banking system are as follows:-**

- Borrowings from scheduled banks is mainly through fortnightly auctioning of Market Treasury Bills (MTBs) of 3, 6 and 12-month maturities. Government of Pakistan also borrows long-term by quarterly auctioning of Pakistan Investment Bonds (PIBs) of 3, 5, 10, 15, 20 and 30 years maturities.
- Federal Government may also borrow directly from SBP either through ways and means advance or purchase (by SBP) of Market Related Treasury Bills (MRTBs). The Ways and Means Advance is extended for government borrowings up to Rs.100 million at an interest rate of 4 percent per annum whereas higher amounts are borrowed through SBP purchase of 6-month MRTBs at the weighted average yield of 6-month MTB determined in the most recent fortnightly auction of treasury bills. The weighted average yield on 6-month MTB was 6.01 percent as a result of the auction conducted on 26<sup>th</sup> April 2017.
- Provincial Governments and the Government of Azad Jammu & Kashmir may also borrow directly from SBP through raising of their debtor balances (over drafts) within limits defined for them. An interest rate is charged on the borrowings which is weighted average of the weighted average yields of 6-month MTBs over the preceding three months. In case, the Provincial Governments or the Government of Azad Jammu & Kashmir borrow over and above the over draft limit, they are penalized by charging an incremental rate of 4 percent per annum.

\* Note: Islamic Financings, Advances (against Murabaha etc), Inventories and any Other related item(s) pertaining to Islamic Financing previously reported under Other Assets has been reclassified as credit to private sector. Details of reclassifications/revisions are available in revision study on SBP website at :

[www.sbp.org.pk/ecodata/Revision\\_Monetary\\_Stats.pdf](http://www.sbp.org.pk/ecodata/Revision_Monetary_Stats.pdf)

Source: Based on weekly returns of scheduled banks for the week ending Friday.

Contact Person: Syed Nadeem Adil (Sr. Joint Director), Monetary Statistics Division, Phone: 021-32453626

email: [syed.nadeem@sbp.org.pk](mailto:syed.nadeem@sbp.org.pk)

For Feedback: <http://www.sbp.org.pk/stats/survey/index.asp>