
II. Explanatory notes to statistical tables

The Scheduled Banks Statistics are based on the half-yearly branch-wise data reported by the scheduled banks in Pakistan. The data are collected on various dimensions of major sources (deposits) and resources (advances, bills purchased & discounted and investments) along with liabilities and assets statement. The data dimensions and terminology that need some explanation are being discussed for information of the users.

Liabilities and Assets

The items of *Capital* and *Reserves* on the liability side pertain to the principal or head office of the bank.

Capital comprises of paid-up capital of Pakistani Banks. In case of Foreign Banks, it is the equivalent Pakistani rupee amount kept with the State Bank of Pakistan as reserve capital required to be maintained under the rules.

Reserves include all types of reserves maintained by the scheduled banks

Balances with Other Scheduled Banks: This includes the branches of all Scheduled Banks and excludes the balances with National Bank of Pakistan as an agent of State Bank of Pakistan. These balances are included in 'Balances with State Bank of Pakistan'.

As per established accounting procedure, the reporting branches of Scheduled Banks adjust certain entries with their Principal/Head (inter-bank) offices to

balance their positions. The gross amounts of credits and debits of these adjustments tend to be large compared with other heads of accounts. These adjustments of 'Head office / inter-banks' are netted out to consolidate bank-wise position that have been added to arrive at overall position. It is significant to mention that the data on liabilities and assets in this publication may differ when compared with Weekly Press Communiqué due to difference in timing and coverage of the two sets of data.

Deposits

The data on Deposits is collected and compiled on various dimensions explained as under: -

Types of Accounts: Deposits accounts are classified under five main types viz. Current, call, other deposit, saving, and fixed deposits

Category of Deposit Holders: This describes the main business or profession of the deposit account holder. They are broadly classified as foreign and domestic constituents, which is cascaded down to Government, Non-financial public sector enterprises (NFPSEs), Non-bank financial institutions (NBFIs), Private sector (Business), Trust Fund and Non-profit organizations, Personal, and Others. The Private sector has been further distributed in sub heads such as Agriculture, Fishing, Mining & Quarrying, Manufacturing, Ship breaking, Electricity, Construction, etc.

according to the ISIC classification of United Nations.

Rate of Interest: It is the rate offered by Scheduled Banks on various type of deposits like foreign currency accounts scheme, over five years maturity and unclaimed, over due or matured fixed deposits maintained under conventional banking.

Rate of Return on PLS Deposits: It is the rate of profit given by the Scheduled Banks on various types of deposits such as call, saving, and fixed deposits maintained under the scheme “Elimination of Riba from the Banking System”. The rates are announced after the completion of the period of investment usually a half year based on June and December end in July and January respectively.

Size of Accounts for Deposits: The deposits accounts are classified under various classes on the basis of the balances in the respective accounts. As the number of accounts is considerably large, for reporting ease, the banks have option to club the accounts and amounts in cases where, the “Nature”, “Type of Accounts”, “Category of Deposit Holders” and “Rate of Interest/Return” are the same. For such grouped accounts it is the average size of the group instead of actual size of the component that determines the class to which it belongs. It is believed that the estimates would not differ significantly from the actual position.

Debits to Deposit and Turnover:- The deposits are reported on net basis at the end of half-year. The debits on these accounts help in analyzing the turnover

in the respective accounts during the period. The co-efficient of turnover are calculated by dividing the debits with the averages amounts on deposits as reported by the banks.

Advances

The main attributes of advances are as under: -

Type of Securities: In banking business, the security, or collateral, consists of assets, property, deposits or valuables held as guarantee against a credit or a loan. Type of security helps in the analysis of the quality of advances of the banking system. A list of classification of securities has been prepared as per international classification that can be seen under the tables of advances classified by securities in the statistical tables.

Category of Borrowers: Borrowers are first classified on the basis of foreign and domestic constituents. The later is then further classified into government, non-financial public sector enterprises, non-bank financial institutions, private sector (business), trust funds & non-profit organizations, personal and others.

Rate of Interest / Return: This is the cost of using borrowed money expressed as a rate, or a percentage of the principal amount for a period of time usually a year. In case of Islamic modes of financing it is referred as rate of mark-up.

Size of Accounts for Advances: The classification and system for size of accounts for advances is identical to the

size of accounts for deposit as explained above.

Rate of Margin: Margin for collateral is the excess of the market/assessed value of the collateral over the amount of loan. Banks typically prefer to provide loan amount less than the assessed value of collateral, because in the event of default, there are costs in loan recovery and substantial losses with performing collateral; hence a margin of collateral is maintained.

Bills Purchased & Discounted

Classification of Bills Purchased and Discounted provides the economic group wise claims of scheduled banks. Type of bills includes Export Bills, Import Bills, Inland Bills, Foreign Bills and Others. The nature of bills purchased and discounted may be interest based or Financing under Islamic modes which includes Purchase of Trade Bills on

Exchange Rate Differential or Purchase of Trade Bills on Commission

Investments

The banks report their investment in domestic and foreign securities/shares with details of holdings of each type of securities/shares and classify them as free or encumbered according to disposability. The holdings are classified by issuing institutions of securities/shares such as Federal and Provincial Governments' securities, foreign securities and other securities/shares (including shares and debentures, NIT units, participation term certificates, mutual funds and modarba certificates, shares of other public and private sector enterprises). The purchase price (book value), original value (face value), and market value (market price) in case of tradable securities/shares are also reported.