

## Broad Money (M2)

Provisional Data on Monetary Aggregates as on October 01, 2021

(Million Rupees)

Components	Stocks at End-June 2021 <sup>R</sup>	Flows		Monetary Impact Since	
		FY20	FY21	1 <sup>st</sup> July to	
				1-Oct-21	2-Oct-20
<b>A. Currency in Circulation</b>	6,909,937	1,191,977	767,921	134,709	-20,259
<b>B. Other Deposits with SBP</b>	68,004	7,582	26,786	1,355	12,089
<b>C. Total Deposits with Banks<sup>1/</sup></b>	17,306,154	1,909,950	2,581,384	-46,368	138,266
(i) Demand Deposits	15,342,136	1,494,001	2,677,309	-172,950	169,833
(ii) Time Deposits	917,861	451,218	-67,570	67,458	-59,046
(iii) Residents Foreign Currency Deposits (RFCDs)	1,046,156	-35,270	-28,354	59,124	27,479
<b>Broad Money (M2) (A+B+C)</b>	<b>24,284,095</b>	<b>3,109,510</b>	<b>3,376,092</b>	<b>89,696</b>	<b>130,095</b>
Growth		17.47%	16.15%	0.37%	0.62%
<b>Factors Affecting Broad Money (M2)</b>					
<b>A. Net Foreign Assets of the Banking System</b>	<b>724,814</b>	<b>990,928</b>	<b>1,240,967</b>	<b>-45,309</b>	<b>296,741</b>
(i) State Bank of Pakistan <sup>2</sup>	930,600	945,855	1,111,947	-44,457	126,540
(ii) Scheduled Banks	-205,786	45,073	129,020	-852	170,201
<b>B. Net Domestic Assets of the Banking System (1+2+3)</b>	<b>23,559,281</b>	<b>2,118,582</b>	<b>2,135,124</b>	<b>135,005</b>	<b>-166,646</b>
(i) State Bank of Pakistan	6,451,291	-33,170	-533,282	-27,148	-507,267
(ii) Scheduled Banks	17,107,990	2,151,752	2,668,406	162,153	340,621
Growth		10.97%	9.97%	-0.78%	0.57%
<b>1. Net Government Sector Borrowings (a+b+c)</b>	<b>16,338,778</b>	<b>2,210,569</b>	<b>1,791,545</b>	<b>-3,691</b>	<b>191,939</b>
<b>a. Borrowings for Budgetary Support<sup>3</sup></b>	<b>15,447,123</b>	<b>2,151,841</b>	<b>1,698,814</b>	<b>-9,726</b>	<b>254,477</b>
(i) From SBP	5,419,751	-153,073	-1,119,045	-296,508	-272,032
a) Federal Government	5,799,536	-83,152	-950,588	-21,672	-222,585
of which deposits with SBP	-926,776	401,309	-360,780	177,573	-28,307
b) Provincial Government	-346,850	-65,603	-154,112	-255,263	-33,846
Balochistan Government	-37,307	-20,033	1,799	-22,929	-22,589
Khyber Pakhtunkhwa Government	-31,540	8,661	-23,219	3,780	-12,479
Punjab Government	-207,104	-11,231	-125,534	-187,970	-24,596
Sindh Government	-70,899	-43,000	-7,159	-48,144	25,836
c) AJK Government	-12,368	-4,950	-7,321	-7,946	-8,030
d) Gilgit-Baltistan	-20,566	631	-7,024	-11,627	-7,572
(ii) From Scheduled banks	10,027,372	2,304,914	2,817,859	286,782	526,509
a) Federal Government	11,168,323	2,468,789	2,945,858	273,574	504,042
of which deposits with banks <sup>4</sup>	-1,672,595	-143,621	-300,630	17,326	-2,395
b) Provincial Government	-1,140,951	-163,874	-127,999	13,208	22,467
of which deposits with banks <sup>4</sup>	-1,141,976	-163,874	-127,999	13,208	22,467
<b>b. Commodity Operations</b>	<b>903,999</b>	<b>57,019</b>	<b>90,565</b>	<b>8,121</b>	<b>-61,817</b>
<b>c. Others</b>	<b>-12,344</b>	<b>1,709</b>	<b>2,166</b>	<b>-2,086</b>	<b>-720</b>
<b>2. Credit to Non-Government Sector (a+b+c+d)</b>	<b>9,092,306</b>	<b>299,625</b>	<b>719,878</b>	<b>190,497</b>	<b>-134,043</b>
<b>a. Credit to Private Sector*</b>	<b>7,629,069</b>	<b>196,357</b>	<b>766,207</b>	<b>175,808</b>	<b>-123,096</b>
Conventional Banking Branches	5,685,109	29,278	379,591	94,153	-143,631
Islamic Banks	1,030,612	33,369	162,138	26,893	5,096
Islamic Banking Branches of Conventional Banks	913,348	133,711	224,477	54,763	15,439
<b>b. Credit to Public Sectors Enterprises (PSEs)</b>	<b>1,436,745</b>	<b>96,301</b>	<b>-53,777</b>	<b>13,178</b>	<b>-12,592</b>
<b>c. PSEs Special Account-Debt Repayment with SBP</b>	<b>-24,244</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>d. Credit to NBFIs</b>	<b>50,736</b>	<b>6,967</b>	<b>7,448</b>	<b>1,511</b>	<b>1,645</b>
<b>3. Other Items (net)</b>	<b>-1,871,804</b>	<b>-391,613</b>	<b>-376,299</b>	<b>-51,801</b>	<b>-224,543</b>
<b>Broad Money (M2) (A+B)</b>	<b>24,284,095</b>	<b>3,109,510</b>	<b>3,376,092</b>	<b>89,696</b>	<b>130,095</b>
Growth		17.47%	16.15%	0.37%	0.62%
<b>Memorandum Items</b>					
Accrued profit on SBP holdings of MRTBs/MTBs	58,511	80,706	-25,107	93,194	91,567
Outstanding amount of MTBs (realized value in auctions)	5,979,180	593,527	1,022,562	-10,174	-483,913
<b>Net Government Budgetary Borrowings (cash basis)</b>	<b>15,321,542</b>	<b>1,925,158</b>	<b>1,850,492</b>	<b>-114,248</b>	<b>211,198</b>
From SBP	5,361,240	-233,779	-1,093,938	-389,702	-363,599
From Scheduled Banks	9,960,302	2,158,937	2,944,430	275,454	574,797

R: Revised

1/ Excluding inter-bank deposits, deposits of governments and foreign constituents. The breakup of total deposits with banks into demand, time and Residents Foreign Currency Deposits (RFCDs) have been added since June 30, 2014.

2/ Quarter end NFA data includes interest accrued on Asian Clearing Union (ACU) balance, SDRs allocation, SDRs holdings, fund facilities and accrued expenses on portfolio investment account.

3/ 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

4/ Data on government deposits and RFCDs 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.

Total may differ due to rounding off.

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

(a) 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)/Sukuk of 3, 5, 10, 15, 20 and 30 years maturities.

(b) Federal Government may also borrow directly from SBP either through ways and means advance. The Ways and Means Advance is extended for government borrowings up to Rs.100 million at an interest rate of 4 percent per annum. Through Finance bill 2019-20 govt has announced no new borrowing from SBP via MRTBs creation.

(c) 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 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.

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