



Flow of Funds Accounts of Pakistan 2020-21

Data Services and Innovations Department

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Preface

Data Services & Innovations Department provides quality statistics on economic sectors of Pakistan. The department strives to cope with the data needs of internal and external stakeholders and to fulfill the requirements of international institutions. The data compilation methodologies and procedures are aligned with international guidelines and manuals.

The flow of funds accounts for FY21 have been prepared from the data collected from all sectors of the economy. The data has been transformed into sectoral balance sheets as per guidelines of System of National Accounts, 2008 (2008 SNA). These accounts highlight the statistical relationship of financial activities of all sectors of the economy with one another and the non-financial activities that generate income and production. They also provides extensive sectoral and transactional details of financial developments in the economy, i.e. borrowing, lending, saving and investment.

As per practice, the revised data has been incorporated in this report. We feel that these statistics would be useful for financial analysis, policy formulation, planning, and decision making. Comments and suggestions for further improving of this publication are welcome at feedback.statistics@sbp.org.pk.

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At the same time, the team is thankful to all Public Sector Enterprises (PSE's), Non-Profit Institution's (NPI's) and Securities & Exchange Commission of Pakistan (SECP) for their valuable contribution in providing data for this document.

(The Team)

Disclaimer:

Sectoral Balance Sheets of financial corporations are based on the data provided by Monetary and Financial Statistics Division of Core Statistics Department that includes data from all financial institutions including, Banks, MFIs and DFIs. The audited financial statements are the main sources of data for non-financial corporations.

Data published by Ministry of Finance (MoF) and Pakistan Bureau of Statistics (PBS) is the main source for general government's sectoral balance sheet. Balance of Payments Statistics prepared by State Bank of Pakistan is the main source for Rest of the World (ROW) sector's data.

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List of Abbreviations

BOP	Balance of Payments
CB	Central Bank
DTCs	Deposit Taking Corporations
FAs	Financial Auxiliaries
FCs	Financial Corporations
Govt.	Government
HH	Households
ICs	Insurance Companies
MMF	Money Market Fund
NBFCs	Non-Bank Financial Corporations
NFA	Non-Financial Assets
NFCs	Non-Financial Corporations
NFPSE	Non-Financial Public Sector Enterprises
NMMF	Non-Money Market Fund
NPA	Non-Produced Assets
NPISH	Non-Profit Institutions Serving Households
OFIs	Other Financial Intermediaries
PFs	Pension Funds
PIBs	Pakistan Investment Bonds
PSEs	Public Sector Enterprises
ROW	Rest of the World
SBP	State Bank of Pakistan
SDRs	Special Drawing Rights
SECP	Securities & Exchange Commission of Pakistan
SNA	System of National Accounts
T Bills	Treasury Bills
TFC	Term Finance Certificate

1. Overview

The Flow of Funds Accounts of Pakistan (the three-dimensional matrix) showed that during FY21, the country is net borrower of Rs. 561.1 billion. During the period under review, Households & NPISH, Financial Corporations and Rest of the World (ROW) are in surplus whereas, General Government and Non-Financial Corporations are in deficit.

During 2020-21, **Households & NPISH** sector has raised their claims to other sectors by Rs. 2,103.8 billion¹ by channelizing their savings (i.e. Rs. 1,909.5 billion) to financial corporations in form of currency and deposits. Moreover, they have invested Rs. 90.5 billion in debt securities specifically in government securities.

During the same period, in net term basis, **ROW** sector is in surplus of Rs 415.4 billion. ROW raised their claims on the economy by lending Rs. 792.6 billion to federal government and investing Rs. 239.5 billion in equity and

Funds Supply			Net Lending (+) / Net Borrowing (-) = -561.1	Funds Demand			
Households & NPIs Serving Households	Uses 2309.2	Sources 205.4			Uses 1429.2	Sources 4269.6	General Government
	Financial Surplus 2103.8				Financial Deficit 2840.4		
Rest of the World	Uses 1371.9	Sources 956.5			Uses 2487.5	Sources 3145.9	Non-Financial Corporations
	Financial Surplus 415.4			Financial Deficit 658.4			
Financial Corporations	Uses 6648.5	Sources 6230.2					
	Financial Surplus 418.4						

fund share of non-financial corporations. In contrast, the economy has claims of Rs. 676.6 billion on ROW in terms of currency and deposits. **Financial Corporations** resulted in surplus of Rs. 418.4 billion with a net lending of Rs. 773.2 billion and net investment of Rs. 3,003.9 billion.

The **General Government** raised Rs. 4,269.6 billion from other sectors mainly through debt securities and loans whereas the government utilized Rs 1,429.2 billion. Therefore, in net term basis, general government is in deficit of Rs. 2,840.4 billion during 2020-21. Likewise, **Non-Financial Corporations** sector is also in deficit of Rs. 658.4 billion.

¹ For details, please see three-dimensional financial matrix.

2. Financial Assets and Liabilities – Stock

2.1. Financial Assets

The total outstanding financial assets increased by 22.4% to touch Rs. 118,236.5 billion at the end of 2020-21.

Table 2: Financial Assets

Items	2018-19	2019-20	2020-21	End Year - Million Rs.	
				% Share	
				2019-20	2020-21
Total Financial Assets	87,533,042	96,580,096	118,236,543	100.0	100.0
<i>YoY Changes (%)</i>	<i>19.4</i>	<i>10.3</i>	<i>22.4</i>		
Currency & Deposits	27,313,913	31,460,282	38,855,172	32.6	32.9
Debt Securities	25,755,654	29,101,490	31,817,686	30.1	26.9
Loans	12,204,692	13,210,902	16,685,674	13.7	14.1
Equity and Investment Fund Shares	3,514,799	4,058,142	4,823,424	4.2	4.1
Trade Credit & Advances	3,643,943	4,134,037	4,251,331	4.3	3.6
Other Accounts Receivables ²	15,100,041	14,615,241	21,803,257	15.1	18.4

Notes:

1. Figures in italic represents the YoY Change.

2. Includes Monetary Gold & SDR, Insurance, Pension, and Standardized Guarantee Schemes, Financial Derivatives and Employee Stock Options and Miscellaneous Financial Assets, etc.

2.2. Liabilities

The outstanding liabilities stood at Rs. 168,060.7 billion and have been increased by 17.4% as compared to last year.

Table 3: Liabilities

Items	2018-19	2019-20	2020-21	End Year - Million Rs.	
				% Share	
				2019-20	2020-21
Total Liabilities	128,545,788	143,194,702	168,060,731	100.0	100.0
<i>YoY Changes (%)</i>	<i>22.9</i>	<i>11.4</i>	<i>17.4</i>		
Currency & Deposits	29,021,192	32,328,087	38,395,208	22.6	22.8
Debt Securities	27,355,784	30,641,348	34,121,294	21.4	20.3
Loans	39,489,655	42,961,531	59,196,002	30.0	35.2
Equity and Investment Fund Shares	14,741,114	14,673,521	10,531,617	10.2	6.3
Trade Credit & Advances	2,992,952	3,454,105	3,578,619	2.4	2.1
Other Accounts Payables ²	14,945,091	19,136,110	22,237,990	13.4	13.2

Notes:

1. Figures in italic represent shares in total liabilities.

2. Includes monetary gold & SDR, Insurance, Pension, and Standardized Guarantee Schemes, Financial Derivatives and Employee Stock Options and miscellaneous liabilities.

3. Financial Transactions by Sectors of the Economy

This section discusses the flows (less valuation change and other changes in volume) of all sectors of the economy according to their financial assets (funds utilized) and liabilities (funds raised) within the reporting period.

3.1. Financial Corporations

In 2020-21, financial corporations are in surplus of Rs. 418.4 billion. During the reporting period, fund raising by the financial corporations increased by Rs. 2,026.8 billion as compared to last year. The financial corporations' borrowing from central bank increased by Rs. 705.6 billion. Moreover, their borrowings from deposit taking corporations increased by Rs. 1,752.1 billion.

Summary of fund raising of financial corporations is presented in Table 4.

Table 4: Fund Raising by the Financial Corporations

		(During period - Million Rs.)			
	Items	2017-18	2018-19	2019-20	2020-21
	Fund Raising	2,695,973	4,668,409	4,203,315	6,230,152
By Financial Institution	Central Bank	903,836	3,546,219	489,895	1,195,523
	Deposit Taking Corp.	1,553,284	986,869	2,902,375	4,654,463
	Financial Auxiliaries	9,296	4,726	71,056	-61,264
	Other Financial Corporations	14,006	-26,789	510,354	240,582
	Insurance Companies & Pension Funds	215,551	157,383	229,635	200,847
By Financial Instrument	Currency & Deposits	1,901,119	4,568,711	2,918,941	4,030,823
	Debt Securities	4,593	26,523	11,871	1,284
	Borrowings from Domestic Institutions	273,497	-651,746	491,460	1,444,554
	Borrowings from Overseas	-14,420	23,813	-55,077	105,018
	Equity and Investment Fund Shares	53,334	-22,255	175,360	181,740
	Insurance, Pension and SGS*	204,859	119,903	202,959	198,005
	Financial derivatives and ESF**	205,375	71,844	-58,644	195,332
	Other Accounts Payable	67,617	531,616	516,445	73,395

* Standardized Guarantee Schemes, ** Employees Stock Fund

The funds utilization by financial corporations increased from Rs. 4,848.0 billion to Rs. 6,648.5 billion in current year that reflects 37.1% increase in their liabilities. Financial Corporations' investment in debt securities and share capital increased by Rs. 9.6 billion and Rs. 187.3 billion respectively.

Summary of funds utilization of financial corporations is presented in Table 5.

Table 5: Fund Utilization by the Financial Corporations

		(During period - Million Rs.)			
	Items	2017-18	2018-19	2019-20	2020-21
	Fund Utilization	2,756,293	5,039,464	4,848,048	6,648,512
By Financial Institution	Central Bank	901,664	3,856,513	865,994	1,325,231
	Deposit Taking Corp.	1,584,863	1,087,063	3,161,903	4,751,599
	Financial Auxiliaries	393	9,760	76,327	-48,706
	Other Financial Corporations	38,043	-29,223	525,035	308,670
	Insurance Companies & Pension Funds	231,330	115,352	218,788	311,718
By Financial Instrument	Monetary Gold & SDR	39,135	142,253	125,415	-9,625
	Currency & Deposits	-352,182	865,573	1,191,690	1,046,141
	Debt Securities	1,378,351	3,686,310	2,978,619	2,988,231
	Loans	1,522,554	136,777	681,687	2,322,782
	Equity and Investment Fund Shares	44,110	-122,174	11,346	198,668
	Insurance, Pension and SGS*	476	1,796	-1,446	1,537
	Financial derivatives and ESF**	-14,436	-30,817	-61,902	-62,527
	Other Accounts Receivable	138,286	359,746	-77,362	163,305

* Standardized Guarantee Schemes, ** Employees Stock Fund

3.2. Non-Financial Corporations

During the reporting period 2020-21, non-financial corporations' fund utilization increased by Rs. 620.3 billion as compared to last year. This may be attributed to currency & deposits and investment in debt securities.

Moreover, fund-raised by non-financial corporations increased to Rs. 3,145.9 billion. The non-financial corporations' direct financing² decreased by 43.8% to reach at Rs 406.9 billion. On the contrary, their indirect financing³ increased to Rs. 1,907.2 billion. Resultantly non-financial corporations are in deficit⁴ of Rs. 658.4 billion.

The details of fund raising and utilizing of non-financial corporations are presented in Table 6.

² Under direct financing, corporates incurred their liabilities directly by issuing shares and debt securities.

³ Indirect financing means when corporates incurred their liabilities through loans.

⁴ The deficit is define, as savings minus investment that is also equals to funds raising minus funds utilization within reporting period.

Table 6: Fund Raising and Utilization by the Non-Financial Corporations

Items	During Period - Million Rs.			
	2017-18	2018-19	2019-20	2020-21
Fund Raising (A)	2,667,280	2,246,482	2,396,474	3,145,868
Indirect Finance	1,059,791	767,309	515,262	1,907,369
Borrowing From NFC's	5,529	19,997	45,803	52,198
Borrowing From Central Bank	0	-515	0	2,940
Borrowing From DTC's	906,904	652,843	127,695	509,253
Borrowing From NBFC's	5,348	-1,858	6,062	-1,157
Borrowings from Government	112,582	94,460	162,423	298,254
Borrowings from Other Resident Sector	29,428	2,382	-2,096	632
Borrowings from Overseas	275,270	168,888	175,376	1,045,249
Direct Finance	753,304	508,356	724,144	406,861
Deposits	231,626	128,331	113,414	87,554
Debt Securities	-12,936	216,501	187,041	88,250
Equity and Investment Fund Shares	534,613	163,524	423,689	231,057
Other Accounts Payables	578,914	801,929	1,157,068	831,638
Fund Utilization (B)	1,846,654	1,308,889	1,867,172	2,487,487
Currency & Deposits	301,072	94,352	999,644	1,135,087
Currency	434	-1,676	-6,580	-3,512
Transferable deposits	191,286	1,447	813,180	696,949
Other Transferable deposits	94,129	14,399	20,789	62,560
Other deposits	15,223	80,182	172,255	379,090
Debt Securities	4,959	47,833	5,942	82,754
Loans	11,161	23,445	44,966	27,662
Equity and Investment Fund Shares	-7,770	-5,468	86,489	93,090
Insurance, Pension and SGS*	36,930	1,488	5,222	-21,280
Foreign Claims	284	16,435	-30,477	130,468
Other Accounts Receivable	1,500,019	1,130,804	755,386	1,039,705
Funds Shortage (B-A)	-820,625	-937,593	-529,302	-658,380

* Standardized Guarantee Schemes

3.3. General Government

The general government is in deficit of Rs. 2,840.4 billion during the reporting period. To finance this deficit government borrowed Rs. 843.1 billion from other sectors and issued debt securities worth Rs. 3,435.0 billion. Nevertheless, general government holds Rs. 1,025.6 billion in form of currency & deposits. The details of fund raising and utilization of general government presented in Table 7.

Table 7: Fund Raising and Utilization by the General Government				
	During Period - Million Rs.			
Items	2017-18	2018-19	2019-20	2020-21
Fund Raising	2,865,767	8,872,334	4,521,884	4,269,589
Deposits	101,958	-61,936	185,310	-32,540
Debt Securities	1,889,972	8,319,703	2,788,602	3,435,010
Loans	678,731	517,326	1,550,784	843,098
Other Accounts Payables	195,106	97,241	-2,812	24,021
Fund Utilization	404,233	1,455,458	255,937	1,429,221
Currency & Deposits	199,187	1,224,179	-15,630	1,025,584
Debt Securities	-249	1,676	-144	-144
Loans	118,326	101,057	167,115	276,697
Equity and Investment Fund Shares	89,181	46,253	20,963	16,424
Others	-2,213	82,293	83,632	110,660
Difference (B- A)	-2,461,535	-7,416,876	-4,265,947	-2,840,369

3.4. Households and Non-Profit Institutions Serving Households (NPISH)

During the period under review, households and NPISH is in surplus of Rs. 2,103.8 billion.

They channelized Rs. 1,909.5 billion of their savings to financial corporations in form of currency and deposits. Furthermore, they have invested Rs. 90.5 billion and Rs. 106.1 billion in debt securities and equity and investment fund shares.

Summary of funds raised/utilized by Households & NPISH is presented in Table 8.

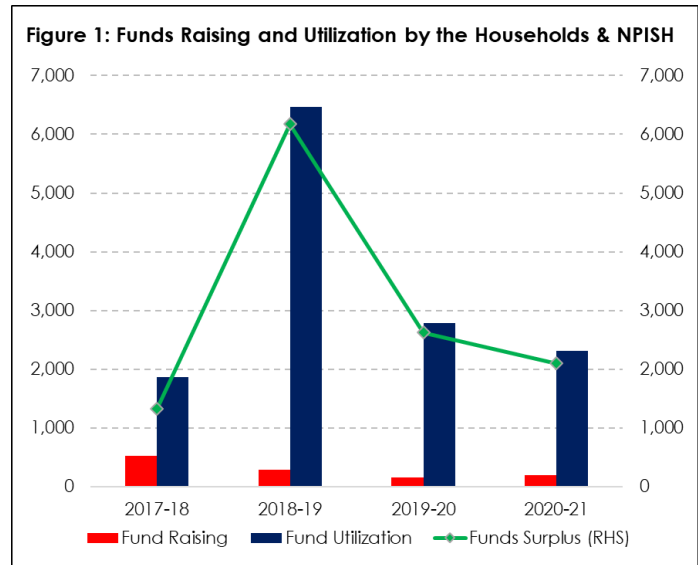


Table 8: Fund Raising and Utilization by the Households and NPISH

Items	During Period - Million Rs.			
	2017-18	2018-19	2019-20	2020-21
Fund Raising (A)	528,746	291,050	160,236	205,360
Borrowing From Central Bank	639	1,580	-753	3,926
Borrowing From DTC's	188,999	171,918	-26,497	133,484
Borrowing From NBFC's	24	17	-573	122
Borrowing From NFC's	3,086	3,287	2,211	2,316
Borrowing from Insurance Compar	7,424	16,015	20,097	29,161
Others ¹	328,574	98,234	165,750	36,351
Fund Utilization (B)	1,862,848	6,464,641	2,787,170	2,309,196
Currency & Deposits	1,286,477	1,430,972	2,329,529	1,909,470
Debt Securities	303,215	4,862,898	146,907	90,454
Loans	29,428	2,382	-2,096	632
Equity and Investment Fund Shares	52,445	55,256	113,959	106,121
Insurance, Pension and SGS ²	190,724	108,315	198,392	200,073
Other Accounts Receivable	559	4,818	480	2,445
Difference (B- A)	1,334,102	6,173,590	2,626,934	2,103,836

Notes:

1. Trade credits, miscellaneous financial debts, etc.

2. Standardized Guarantee Schemes

3.5. Rest of the World (ROW)

In 2020-21, ROW is in surplus of Rs. 415.4 billion. During the year, ROW lend Rs. 735.9 billion to the domestic economy. They have also invested Rs. 493.6 billion and Rs. 239.5 billion in debt securities and equity and investment fund shares respectively.

Summary of funds raised/utilized by ROW is presented in Table 9 and graphical presentation is available in Figure 2.

Table 9: Fund Raising and Utilization by the Rest of the World

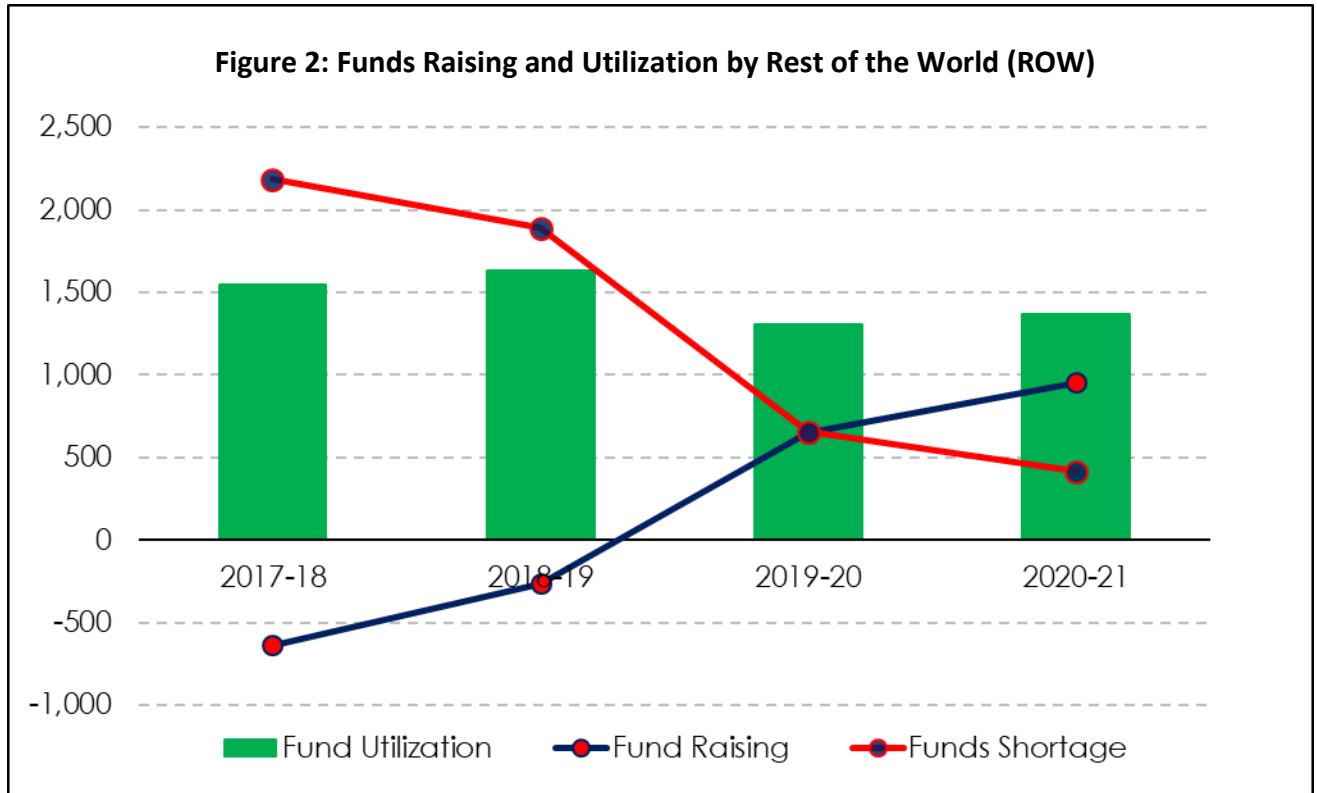
Items	During Period - Million Rs.			
	2017-18	2018-19	2019-20	2020-21
Fund Raising	-636,785	-262,312	648,061	956,451
SDRs	-14,060	-19,733	-25,284	32,164
Foreign Exchange Holdings	-667,102	-211,686	752,562	676,573
Investments in Debt and Equity	-879	-29,668	-26,706	25,443
Others ³	45,256	-1,225	-52,511	222,270
Fund Utilization	1,548,789	1,629,789	1,306,079	1,371,868
Foreign Exchange Holdings	195,193	794,222	-36,978	0
Debt Securities ¹	269,169	-136,360	-38,132	493,551
Loans	785,168	818,718	1,017,051	735,941
Equity and Investment Fund Shares	354,830	128,849	366,034	239,492
Trade credits	879	1,089	158	0
Other Accounts Receivable	-56,450	23,271	-2,054	-97,116
Difference (B- A)²	2,185,574	1,892,101	658,018	415,417

Notes:

1) Debt securities held by non-residents

2) Positive figures represent financial surplus, negative figures represent financial deficit

3) Loans & Trade Credit



4. Financial Account

The financial account records all the transactions that involves financial assets and liabilities that take place between the sectors of the economy. The balancing entry on top of the account shows net lending (+)/net borrowing (-), i.e. change in assets acquired less change in liabilities incurred.

The financial account of Pakistan showed that, on net term basis, the economy borrowed Rs. 561.1 billion during FY21. During this period, net acquisition of financial assets of the economy increased by 28.8% to reach Rs. 14,246.3 billion. On the contrary, economy incurred Rs. 14,807.4 billion as liabilities, on net term basis. The sector wise details are as follows:

1. Net Lenders

- a. Financial Corporations are net lender of Rs. 418.4 billion
- b. Other Resident Sector is net lender of Rs. 2,103.8 billion and
- c. Rest of the World is also a net lender of Rs. 415.4 billion

2. Net Borrowers

- a. Non-Financial Corporations are net borrower of Rs. 658.4 billion
- b. General Government is also net borrower of Rs. 2,840.4 billion

The detailed financial account is present in FOF Matrix separately available at [SBP Website](#).

5. Capital Account

The Capital Account records transactions in non-financial assets held by institutional units within the economy. The balancing item of the capital account is defined as the difference between changes in net worth due to saving and capital transfers and net acquisitions of non-financial assets (acquisitions less disposals of nonfinancial assets, less consumption of fixed capital). The positive amount represents net lending and vice versa.

The Capital Account of Pakistan showed that (on net term basis) country is in deficit of Rs. 489.3 billion. The main highlights of capital account are as follow:

1. Gross Saving of the Economy is Rs. 7,870.0 billion
2. The current external balance of the economy w.r.t ROW is Rs. 451.3 billion
3. The gross fixed capital formation is Rs. 7,217.0 billion
4. The changes in inventories of the economy is Rs. 893.0 billion

The sectoral classification of Capital Account of the economy is presented in FOF Matrix separately available at [SBP Website](#).

6. Integrated Capital and Financial Account of Pakistan

The integrated financial and capital account is a two-dimensional matrix that covers all institutional sectors and financial assets/liabilities. The Integrated Account shows movements in financial assets and liabilities along with non-financial saving and investment of all the sectors of economy. This interrelationship sets the stage for the development of the flow of funds accounts, which provides a record of non-financial and financial transactions among the main macroeconomic sectors in a consistent and comprehensive framework under System of National Accounts 2008.

The detailed Integrated Capital and Financial Account of Pakistan is presented in FOF Matrix separately available at [SBP Website](#).