

## Broad Money (M2)

Provisional Data on Monetary Aggregates as on February 19, 2021

(Million Rupees)

Components	Stocks at End-June 2020 <sup>R</sup>	Flows		Monetary Impact Since	
		FY19	FY20	1 <sup>st</sup> July to	
				19-Feb-21	21-Feb-20
<b>A. Currency in Circulation</b>	6,142,016	562,210	1,191,977	384,742	523,959
<b>B. Other Deposits with SBP</b>	41,218	6,673	7,582	15,480	-373
<b>C. Total Deposits with Banks<sup>1/</sup></b>	14,724,770	1,232,448	1,909,950	289,220	107,742
(i) Demand Deposits	12,664,828	1,096,425	1,494,001	391,807	-189,580
(ii) Time Deposits	985,431	-144,402	451,218	-81,737	397,941
(iii) Residents Foreign Currency Deposits (RFCDs)	1,074,511	280,425	-35,270	-20,850	-100,619
<b>Broad Money (M2) (A+B+C)</b>	<b>20,908,004</b>	<b>1,801,332</b>	<b>3,109,510</b>	<b>689,442</b>	<b>631,327</b>
Growth		11.26%	17.47%	3.30%	3.55%
<b>Factors Affecting Broad Money (M2)</b>					
<b>A. Net Foreign Assets of the Banking System</b>	<b>-516,153</b>	<b>-1,298,658</b>	<b>990,928</b>	<b>591,464</b>	<b>1,096,903</b>
(i) State Bank of Pakistan <sup>2</sup>	-181,347	-1,139,656	945,855	344,739	1,018,646
(ii) Scheduled Banks	-334,806	-159,002	45,073	246,724	78,257
<b>B. Net Domestic Assets of the Banking System (1+2+3)</b>	<b>21,424,157</b>	<b>3,099,989</b>	<b>2,118,582</b>	<b>97,978</b>	<b>-465,575</b>
(i) State Bank of Pakistan	6,984,573	2,115,433	-33,170	-484,853	-1,087,169
(ii) Scheduled Banks	14,439,583	984,557	2,151,752	582,831	621,593
Growth		19.13%	10.97%	0.46%	-2.41%
<b>1. Net Government Sector Borrowings (a+b+c)</b>	<b>14,547,233</b>	<b>2,136,994</b>	<b>2,210,569</b>	<b>75,691</b>	<b>-23,438</b>
<b>a. Borrowings for Budgetary Support<sup>3</sup></b>	<b>13,748,309</b>	<b>2,203,507</b>	<b>2,151,841</b>	<b>198,777</b>	<b>61,816</b>
(i) From SBP	6,538,797	3,078,464	-153,073	-811,115	-757,008
a) Federal Government	6,750,124	3,165,656	-83,152	-472,937	-341,612
of which deposits with SBP	-565,997	-926,760	401,309	-197,363	-234,484
b) Provincial Government	-192,737	-83,295	-65,603	-311,054	-390,652
Balochistan Government	-39,105	-13,743	-20,033	-45,018	-52,226
Khyber Pakhtunkhwa Government	-8,321	6,962	8,661	-31,996	-81,401
Punjab Government	-81,570	-65,226	-11,231	-194,374	-175,210
Sindh Government	-63,741	-11,288	-43,000	-39,666	-81,816
c) A/JK Government	-5,047	-5,612	-4,950	-22,052	-18,344
d) Gilgit-Baltistan	-13,543	1,714	631	-5,073	-6,399
(ii) From Scheduled banks	7,209,512	-874,956	2,304,914	1,009,892	818,824
a) Federal Government	8,222,465	-769,742	2,468,789	1,036,847	861,084
of which deposits with banks <sup>4</sup>	-1,371,965	-144,590	-143,621	-25,927	40,280
b) Provincial Government	-1,012,953	-105,215	-163,874	-26,955	-42,260
of which deposits with banks <sup>4</sup>	-1,013,977	-105,215	-163,874	-26,955	-42,260
<b>b. Commodity Operations</b>	<b>813,435</b>	<b>-63,264</b>	<b>57,019</b>	<b>-125,745</b>	<b>-89,528</b>
<b>c. Others</b>	<b>-14,510</b>	<b>-3,249</b>	<b>1,709</b>	<b>2,659</b>	<b>4,274</b>
<b>2. Credit to Non-Government Sector (a+b+c+d)</b>	<b>8,372,428</b>	<b>1,039,205</b>	<b>299,625</b>	<b>346,338</b>	<b>187,162</b>
<b>a. Credit to Private Sector*</b>	<b>6,862,862</b>	<b>693,537</b>	<b>196,357</b>	<b>351,884</b>	<b>194,695</b>
Conventional Banking Branches	5,305,518	486,613	29,278	194,658	73,414
Islamic Banks	868,473	102,910	33,369	61,991	27,506
Islamic Banking Branches of Conventional Banks	688,871	104,015	133,711	95,235	93,775
<b>b. Credit to Public Sectors Enterprises (PSEs)</b>	<b>1,490,522</b>	<b>326,021</b>	<b>96,301</b>	<b>-10,445</b>	<b>-8,090</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>43,288</b>	<b>19,646</b>	<b>6,967</b>	<b>4,899</b>	<b>558</b>
<b>3. Other Items (net)</b>	<b>-1,495,505</b>	<b>-76,210</b>	<b>-391,613</b>	<b>-324,051</b>	<b>-629,299</b>
<b>Broad Money (M2) (A+B)</b>	<b>20,908,004</b>	<b>1,801,332</b>	<b>3,109,510</b>	<b>689,442</b>	<b>631,327</b>
Growth		11.26%	17.47%	3.30%	3.55%
<b>Memorandum Items</b>					
Accrued profit on SBP holdings of MRTBs/MTBs	83,618	-71,041	80,706	11,697	177,516
Outstanding amount of MTBs (realized value in auctions)	4,956,617	-380,746	593,527	-637,335	-396,419
<b>Net Government Budgetary Borrowings (cash basis)</b>	<b>13,471,051</b>	<b>2,262,342</b>	<b>1,925,158</b>	<b>291,438</b>	<b>-177,394</b>
From SBP	6,455,179	3,149,505	-233,779	-822,812	-934,523
From Scheduled Banks	7,015,872	-887,163	2,158,937	1,114,250	757,129

R: Revised

Note: There are two revisions in data classification: (a) an amount of around Rs. 20 billion for the payment of government letters of credit (LCs) payable immediately after June 30, 2020 has been classified as 'government deposits' in the monetary data; this same amount was classified as 'other deposits' in SBP annual financial statements; and (b) to improve financial reporting, 'bank deposits' in the new statement of affairs reflect deposits of commercial banks only while the deposits of other institutions are now part of 'other deposits' from July 03, 2020 onwards.

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 Financials, 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>