

Broad Money (M2)

Provisional Data on Monetary Aggregates as on April 23, 2021

(Million Rupees)

Components	Stocks at End-June 2020	Flows		Monetary Impact Since	
		FY19	FY20	1 st July to	
				23-Apr-21	24-Apr-20
A. Currency in Circulation	6,142,016	562,210	1,191,977	664,240	980,319
B. Other Deposits with SBP	41,218	6,673	7,582	19,862	1,345
C. Total Deposits with Banks^{1/}	14,724,770	1,232,448	1,909,950	607,546	479,031
(i) Demand Deposits	12,664,828	1,096,425	1,494,001	795,620	149,922
(ii) Time Deposits	985,431	-144,402	451,218	-119,621	415,538
(iii) Residents Foreign Currency Deposits (RFCDs)	1,074,511	280,425	-35,270	-68,453	-86,429
Broad Money (M2) (A+B+C)	20,908,004	1,801,332	3,109,510	1,291,648	1,460,695
Growth		11.26%	17.47%	6.18%	8.21%
Factors Affecting Broad Money (M2)					
A. Net Foreign Assets of the Banking System	-516,153	-1,298,658	990,928	1,112,846	900,221
(i) State Bank of Pakistan ²	-181,347	-1,139,656	945,855	929,336	902,731
(ii) Scheduled Banks	-334,806	-159,002	45,073	183,510	-2,511
B. Net Domestic Assets of the Banking System (1+2+3)	21,424,157	3,099,989	2,118,582	178,802	560,474
(i) State Bank of Pakistan	6,984,573	2,115,433	-33,170	-763,886	-502,703
(ii) Scheduled Banks	14,439,583	984,557	2,151,752	942,688	1,063,177
Growth		19.13%	10.97%	0.83%	2.90%
1. Net Government Sector Borrowings (a+b+c)	14,547,233	2,136,994	2,210,569	167,326	888,805
a. Borrowings for Budgetary Support³	13,748,309	2,203,507	2,151,841	227,655	1,001,009
(i) From SBP	6,538,797	3,078,464	-153,073	-1,564,774	-736,468
a) Federal Government	6,750,124	3,165,656	-83,152	-1,138,935	-372,807
of which deposits with SBP	-565,997	-926,760	401,309	-661,340	-426,641
b) Provincial Government	-192,737	-83,295	-65,603	-390,705	-342,671
Balochistan Government	-39,105	-13,743	-20,033	-38,963	-54,049
Khyber Pakhtunkhwa Government	-8,321	6,962	8,661	-35,078	-53,051
Punjab Government	-81,570	-65,226	-11,231	-264,263	-156,104
Sindh Government	-63,741	-11,288	-43,000	-52,403	-79,466
c) AJK Government	-5,047	-5,612	-4,950	-20,602	-16,234
d) Gilgit-Baltistan	-13,543	1,714	631	-14,532	-4,756
(ii) From Scheduled banks	7,209,512	-874,956	2,304,914	1,792,430	1,737,477
a) Federal Government	8,222,465	-769,742	2,468,789	1,827,391	1,796,942
of which deposits with banks ⁴	-1,371,965	-144,590	-143,621	-47,537	-51,375
b) Provincial Government	-1,012,953	-105,215	-163,874	-34,962	-59,465
of which deposits with banks ⁴	-1,013,977	-105,215	-163,874	-34,962	-59,465
b. Commodity Operations	813,435	-63,264	57,019	-66,670	-116,491
c. Others	-14,510	-3,249	1,709	6,341	4,287
2. Credit to Non-Government Sector (a+b+c+d)	8,372,428	1,039,205	299,625	381,741	294,041
a. Credit to Private Sector*	6,862,862	693,537	196,357	415,059	303,293
Conventional Banking Branches	5,305,518	486,613	29,278	181,543	123,288
Islamic Banks	868,473	102,910	33,369	93,615	55,944
Islamic Banking Branches of Conventional Banks	688,871	104,015	133,711	139,901	124,061
b. Credit to Public Sectors Enterprises (PSEs)	1,490,522	326,021	96,301	-39,987	-10,550
c. PSEs Special Account-Debt Repayment with SBP	-24,244	0	0	0	0
d. Credit to NBFIs	43,288	19,646	6,967	6,669	1,298
3. Other Items (net)	-1,495,505	-76,210	-391,613	-370,265	-622,372
Broad Money (M2) (A+B)	20,908,004	1,801,332	3,109,510	1,291,648	1,460,695
Growth		11.26%	17.47%	6.18%	8.21%
Memorandum Items					
Accrued profit on SBP holdings of MRTBs/MTBs	83,618	-71,041	80,706	101,117	337,720
Outstanding amount of MTBs (realized value in auctions)	4,956,617	-380,746	593,527	192,414	408,058
Net Government Budgetary Borrowings (cash basis)	13,471,051	2,262,342	1,925,158	271,856	517,171
From SBP	6,455,179	3,149,505	-233,779	-1,665,891	-1,074,188
From Scheduled Banks	7,015,872	-887,163	2,158,937	1,937,747	1,591,359

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 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

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.aspx>