

**Provisional Data on Monetary Aggregates as on December 1<sup>st</sup> 2017**

**1) Broad Money (M2)**

(Million Rupees)

Components	Stocks at End-June 2017 <sup>R</sup>	Flows		Monetary Impact Since	
		FY16	FY17 <sup>R</sup>	1 <sup>st</sup> July to	
				1-Dec-17 <sup>P</sup>	2-Dec-16
A. Currency in Circulation	3,911,315	779,035	577,531	1,492	119,194
B. Other Deposits with SBP	22,692	5,009	3,936	589	-90
C. Total Demand & Time Deposits incl. RFCDs <sup>1</sup> of which Residents Foreign Currency Deposits (RFCDs)	10,646,875 655,340	758,665 -10,502	1,174,562 68,082	59,330 41,263	112,780 13,093
<b>Broad Money (M2) (A+B+C)</b>	<b>14,580,882</b>	<b>1,542,708</b>	<b>1,756,029</b>	<b>61,411</b>	<b>231,884</b>
Growth		13.67%	13.69%	0.42%	1.81%
<b>Factors Affecting Broad Money (M2)</b>					
A. Net Foreign Assets of the Banking System	602,049	194,851	-405,549	-383,000	-25,733
(i) State Bank of Pakistan	828,923	310,602	-204,094	-358,241	43,503
(ii) Scheduled Banks	-226,873	-115,750	-201,455	-24,759	-69,235
B. Net Domestic Assets of the Banking System (1+2+3)	13,978,833	1,347,857	2,161,578	444,411	257,616
(i) State Bank of Pakistan	3,538,889	514,369	1,005,638	348,344	175,711
(ii) Scheduled Banks	10,439,944	833,488	1,155,940	96,067	81,905
Growth		12.87%	18.29%	3.18%	2.18%
1. Net Government Sector Borrowings (a+b+c)	8,955,597	861,330	1,136,052	512,739	392,748
a. Borrowings for Budgetary Support <sup>2</sup>	8,282,074	791,255	1,087,259	525,857	463,433
(i) From SBP	2,350,109	-486,625	907,866	261,899	1,115,757
a) Federal Government	2,440,624	-368,325	710,316	408,715	1,089,013
of which deposits with SBP	-91,238	-93,346	237,973	24,080	39,159
b) Provincial Government	-88,555	-110,246	189,736	-139,036	33,012
Balochistan Government	-1,460	23,913	16,797	-34,881	-24,407
Khyber Pakhtunkhwa Government	-30,245	-48,357	45,775	-8,321	25,183
Punjab Government	-38,146	-22,049	58,286	-35,951	47,698
Sindh Government	-18,704	-63,753	68,877	-59,883	-15,461
c) AJK Government	7,279	-2,093	6,324	-4,040	831
d) Gilgit-Baltistan	-9,239	-5,961	1,491	-3,740	-7,100
(ii) From Scheduled banks	5,931,965	1,277,880	179,394	263,958	-652,324
a) Federal Government	6,631,399	1,364,906	361,375	284,011	-584,142
of which deposits with banks <sup>3</sup>	-883,796	-162,784	-167,023	-42,748	-47,392
b) Provincial Government	-699,434	-87,026	-181,982	-20,054	-68,182
of which deposits with banks <sup>3</sup>	-700,458	-87,026	-181,982	-20,054	-68,182
b. Commodity Operations	686,508	72,115	49,934	-13,175	-70,984
c. Others	-12,985	-2,040	-1,142	58	299
2. Credit to Non-Government Sector (a+b+c+d)	6,011,267	556,586	998,680	115,156	120,460
a. Credit to Private Sector*	5,197,473	446,463	747,926	112,212	54,367
Conventional Banking Branches	4,241,174	291,970	511,441	75,459	-4,562
Islamic Banks	628,335	116,926	139,369	6,242	19,517
Islamic Banking Branches of Conventional Banks	327,963	37,567	97,116	30,511	39,412
b. Credit to Public Sectors Enterprises (PSEs)	822,797	109,317	254,740	2,589	63,512
c. PSEs Special Account-Debt Repayment with SBP	-24,244	-169	0	0	0
d. Credit to NBFIs	15,241	975	-3,987	355	2,582
3. Other Items (net)	-988,031	-70,060	26,847	-183,484	-255,592
<b>Broad Money (M2) (A+B)</b>	<b>14,580,882</b>	<b>1,542,708</b>	<b>1,756,029</b>	<b>61,411</b>	<b>231,884</b>
Growth		13.67%	13.69%	0.42%	1.81%

Memorandum Items					
Accrued profit on SBP holdings of MRTBs/MTBs	50,463	-11,709	19,980	-1,256	15,062
Outstanding amount of MTBs (realized value in auctions)	3,711,754	488,888	1,097,511	766,486	302,495
<b>Net Government Budgetary Borrowings (cash basis)</b>	<b>8,163,028</b>	<b>787,115</b>	<b>1,045,987</b>	<b>551,072</b>	<b>439,323</b>
From SBP	2,299,646	-474,915	887,885	263,155	1,100,694
From Scheduled Banks	5,863,382	1,262,030	158,101	287,917	-661,371

P: Provisional R: Revised

1/ Excluding inter-bank deposits, deposits of governments and foreign constituents.

2/ 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

3/ Data on government deposits 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.

**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 or purchase (by SBP) of Market Related Treasury Bills (MRTBs). The Ways and Means Advance is extended for government borrowings up to Rs.100 million at an interest rate of 4 percent per annum whereas higher amounts are borrowed through SBP purchase of 6-month MRTBs at the weighted average yield of 6-month MTB determined in the most recent fortnightly auction of treasury bills. The weighted average yield on 6-month MTB was 6.01 percent as a result of the auction conducted on 22<sup>nd</sup> November 2017.
- (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 weighted average of 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.

Contact Person: **Muhammad Rafiq (Sr. Joint Director), Monetary Statistics Division, Phone: 021-32453668**

email: [muhammad.rafiq@sbp.org.pk](mailto:muhammad.rafiq@sbp.org.pk)

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