

## Provisional Data on Monetary Aggregates as on May 12<sup>th</sup> 2017

### 1) Broad Money (M2)

(Million Rupees)

Components	Stocks at End-June 2016	Flows		Monetary Impact Since	
		FY 15	FY 16	1 <sup>st</sup> July to	
				12-May-17 <sup>P</sup>	13-May-16
A. Currency in Circulation	3,333,784	376,877	779,035	339,745	611,126
B. Other Deposits with SBP	18,756	2,057	5,009	3,852	5,615
C. Total Demand & Time Deposits incl. RFCDs <sup>1</sup> of which Residents Foreign Currency Deposits (RFCDs)	9,472,313 587,258	936,627 -1,624	758,665 -10,502	661,095 17,014	164,335 -5,754
<b>Broad Money (M2) (A+B+C)</b>	<b>12,824,853</b>	<b>1,315,561</b>	<b>1,542,708</b>	<b>1,004,692</b>	<b>781,076</b>
Growth		13.20%	13.67%	7.83%	6.92%
<b>Factors Affecting Broad Money (M2)</b>					
A. Net Foreign Assets of the Banking System	1,007,598	219,705	194,851	-406,749	129,398
(i) State Bank of Pakistan	1,033,016	240,729	310,602	-216,623	177,309
(ii) Scheduled Banks	-25,418	-21,024	-115,750	-190,126	-47,911
B. Net Domestic Assets of the Banking System (1+2+3)	11,817,255	1,095,856	1,347,857	1,411,441	651,678
(i) State Bank of Pakistan	2,533,251	140,809	514,369	718,348	575,420
(ii) Scheduled Banks	9,284,004	955,047	833,488	693,093	76,258
Growth		11.69%	12.87%	11.94%	6.22%
1. Net Government Sector Borrowings (a+b+c)	7,819,545	932,986	861,330	851,666	536,360
a. Borrowings for Budgetary Support <sup>2</sup>	7,194,814	861,025	791,255	883,385	550,255
(i) From SBP	1,442,243	-474,103	-486,625	955,457	-151,937
a) Federal Government	1,730,308	-462,218	-368,325	975,833	-57,193
of which deposits with SBP	-329,211	149,067	-93,346	140,340	-58,376
b) Provincial Government	-278,291	-13,061	-110,246	-18,753	-82,666
Balochistan Government	-18,257	-14,517	23,913	-22,936	2,901
Khyber Pakhtunkhwa Government	-76,020	21,429	-48,357	28,570	-32,418
Punjab Government	-96,432	-5,132	-22,049	-28,460	13,121
Sindh Government	-87,581	-14,841	-63,753	4,073	-66,270
c) AJK Government	955	2,246	-2,093	421	-2,068
d) Gilgit-Baltistan	-10,730	-1,071	-5,961	-2,044	-10,010
(ii) From Scheduled banks	5,752,571	1,335,128	1,277,880	-72,072	702,192
a) Federal Government	6,270,024	1,413,296	1,364,906	55,764	745,441
of which deposits with banks <sup>3</sup>	-716,773	-82,201	-162,784	-149,093	-147,525
b) Provincial Government	-517,453	-78,168	-87,026	-127,836	-43,249
of which deposits with banks <sup>3</sup>	-518,477	-78,168	-87,026	-127,836	-43,249
b. Commodity Operations	636,574	72,019	72,115	-34,283	-13,263
c. Others	-11,843	-58	-2,040	2,564	-633
2. Credit to Non-Government Sector (a+b+c+d)	5,012,588	303,459	556,586	775,468	335,359
a. Credit to Private Sector	4,449,547	223,847	446,463	519,227	290,143
Conventional Banking Branches	3,729,733	95,310	291,970	304,463	144,353
Islamic Banks	488,967	71,553	116,926	125,038	120,829
Islamic Banking Branches of Conventional Banks	230,847	56,983	37,567	89,726	24,962
b. Credit to Public Sectors Enterprises (PSEs)	568,057	79,957	109,317	252,411	44,722
c. PSEs Special Account-Debt Repayment with SBP	-24,244	0	-169	0	-169
d. Credit to NBFIs	19,228	-345	975	3,830	663
3. Other Items (net)	-1,014,878	-140,589	-70,060	-215,694	-220,040
<b>Broad Money (M2) (A+B)</b>	<b>12,824,853</b>	<b>1,315,561</b>	<b>1,542,708</b>	<b>1,004,692</b>	<b>781,076</b>
Growth		13.20%	13.67%	7.83%	6.92%

Memorandum Items					
Accrued profit on SBP holdings of MRTBs/MTBs	30,482	-39,878	-11,709	9,218	-10,984
Outstanding amount of MTBs (realized value in auctions)	2,614,243	600,181	488,888	929,268	-19,884
<b>Net Government Budgetary Borrowings (cash basis)</b>	<b>7,117,041</b>	<b>888,325</b>	<b>787,115</b>	<b>862,668</b>	<b>562,259</b>
From SBP	1,411,761	-434,225	-474,915	946,240	-140,952
From Scheduled Banks	5,705,281	1,322,550	1,262,030	-83,572	703,212

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:-

- 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) of 3, 5, 10, 15, 20 and 30 years maturities.
- 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 10<sup>th</sup> May 2017.
- 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: Syed Nadeem Adil (Sr. Joint Director), Monetary Statistics Division, Phone: 021-32453626

email: [syed.nadeem@sbp.org.pk](mailto:syed.nadeem@sbp.org.pk)

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