

**Provisional Data on Monetary Aggregates as on June 16<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	
				16-Jun-17 <sup>P</sup>	17-Jun-16
A. Currency in Circulation	3,333,784	376,877	779,035	474,003	724,059
B. Other Deposits with SBP	18,756	2,057	5,009	3,835	4,938
C. Total Demand & Time Deposits incl. RFCDs <sup>1</sup>	9,472,313	936,627	758,665	897,845	355,037
of which Residents Foreign Currency Deposits (RFCDs)	587,258	-1,624	-10,502	13,418	-15,413
<b>Broad Money (M2) (A+B+C)</b>	<b>12,824,853</b>	<b>1,315,561</b>	<b>1,542,708</b>	<b>1,375,684</b>	<b>1,084,034</b>
Growth		13.20%	13.67%	10.73%	9.61%
<b>Factors Affecting Broad Money (M2)</b>					
A. Net Foreign Assets of the Banking System	1,007,598	219,705	194,851	-494,543	102,500
(i) State Bank of Pakistan	1,033,016	240,729	310,602	-271,521	216,314
(ii) Scheduled Banks	-25,418	-21,024	-115,750	-223,023	-113,814
B. Net Domestic Assets of the Banking System (1+2+3)	11,817,255	1,095,856	1,347,857	1,870,227	981,534
(i) State Bank of Pakistan	2,533,251	140,809	514,369	943,000	685,331
(ii) Scheduled Banks	9,284,004	955,047	833,488	927,227	296,203
Growth		11.69%	12.87%	15.83%	9.38%
1. Net Government Sector Borrowings (a+b+c)	7,819,545	932,986	861,330	1,175,702	857,625
a. Borrowings for Budgetary Support <sup>2</sup>	7,194,814	861,025	791,255	1,112,288	781,727
(i) From SBP	1,442,243	-474,103	-486,625	1,082,880	-370,153
a) Federal Government	1,730,308	-462,218	-368,325	998,650	-348,460
of which deposits with SBP	-329,211	149,067	-93,346	-37,186	-144,714
b) Provincial Government	-278,291	-13,061	-110,246	86,441	-12,093
Balochistan Government	-18,257	-14,517	23,913	-15,151	8,377
Khyber Pakhtunkhwa Government	-76,020	21,429	-48,357	22,155	-17,418
Punjab Government	-96,432	-5,132	-22,049	23,480	50,747
Sindh Government	-87,581	-14,841	-63,753	55,958	-53,799
c) AJK Government	955	2,246	-2,093	2,292	-1,459
d) Gilgit-Baltistan	-10,730	-1,071	-5,961	-4,503	-8,141
(ii) From Scheduled banks	5,752,571	1,335,128	1,277,880	29,407	1,151,880
a) Federal Government	6,270,024	1,413,296	1,364,906	167,186	1,179,563
of which deposits with banks <sup>3</sup>	-716,773	-82,201	-162,784	-120,832	-125,426
b) Provincial Government	-517,453	-78,168	-87,026	-137,778	-27,682
of which deposits with banks <sup>3</sup>	-518,477	-78,168	-87,026	-137,778	-27,682
b. Commodity Operations	636,574	72,019	72,115	62,047	75,903
c. Others	-11,843	-58	-2,040	1,367	-5
2. Credit to Non-Government Sector (a+b+c+d)	5,012,588	303,459	556,586	820,007	314,803
a. Credit to Private Sector	4,449,547	223,847	446,463	561,538	263,937
Conventional Banking Branches	3,729,733	95,310	291,970	339,905	123,416
Islamic Banks	488,967	71,553	116,926	132,590	117,291
Islamic Banking Branches of Conventional Banks	230,847	56,983	37,567	89,042	23,230
b. Credit to Public Sectors Enterprises (PSEs)	568,057	79,957	109,317	254,418	50,226
c. PSEs Special Account-Debt Repayment with SBP	-24,244	0	-169	0	-169
d. Credit to NBFIs	19,228	-345	975	4,051	810
3. Other Items (net)	-1,014,878	-140,589	-70,060	-125,481	-190,894
<b>Broad Money (M2) (A+B)</b>	<b>12,824,853</b>	<b>1,315,561</b>	<b>1,542,708</b>	<b>1,375,684</b>	<b>1,084,034</b>
Growth		13.20%	13.67%	10.73%	9.61%
<b>Memorandum Items</b>					
Accrued profit on SBP holdings of MRTBs/MTBs	30,482	-39,878	-11,709	17,780	-13,877
Outstanding amount of MTBs (realized value in auctions)	2,614,243	600,181	488,888	891,110	308,474
<b>Net Government Budgetary Borrowings (cash basis)</b>	<b>7,117,041</b>	<b>888,325</b>	<b>787,115</b>	<b>1,079,249</b>	<b>788,059</b>
From SBP	1,411,761	-434,225	-474,915	1,065,100	-356,277
From Scheduled Banks	5,705,281	1,322,550	1,262,030	14,149	1,144,335

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 7<sup>th</sup> Jun 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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