



ESTIMATION OF FINANCIAL SERVICES IN PAKISTAN

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Financial Corporations

Financial corporations(S12) are institutional units that are principally engaged in financial services including financial intermediation.



Financial Sector

Classification of Banks (SNA 2008)

- 1. Central Bank (SBP)
- 2. Deposit- taking Corporations except the central bank
- Nationalized Pakistani Banks
- Private Pakistani Commercial Bank
- Specialized Pakistani Banks Foreign Commercial Banks
- Cooperative Banks
- Development Financial Institutions
- Investment Banks
- 3. Other Credit Granting Institutions

Frame of Banks

•	S.no	Banks / DFIs	Total
	1	Central Bank	1
	2	Schedule Banks	4
	3	Non- Schedule Banks	28
	4	Specialized Banks	4
	5	Foreign Banks	9
	6	Cooperative Banks	3
	7	DFI's	9
	8	Investment Banks	12
		70	

A. Output of Central Bank (SNA 2008)

- Total Output = Market Output + Non market Output .
- Market Output of SBP = commission.
- Non market Output = Intermediate consumption + compensation of employees + Consumption of fixed capital (depreciation)

Intermediate consumption of central Bank

 Total Intermediate consumption = Note printing charges + Agency commission + Part of "Establishment costs" (detailed I.C) + Other charges

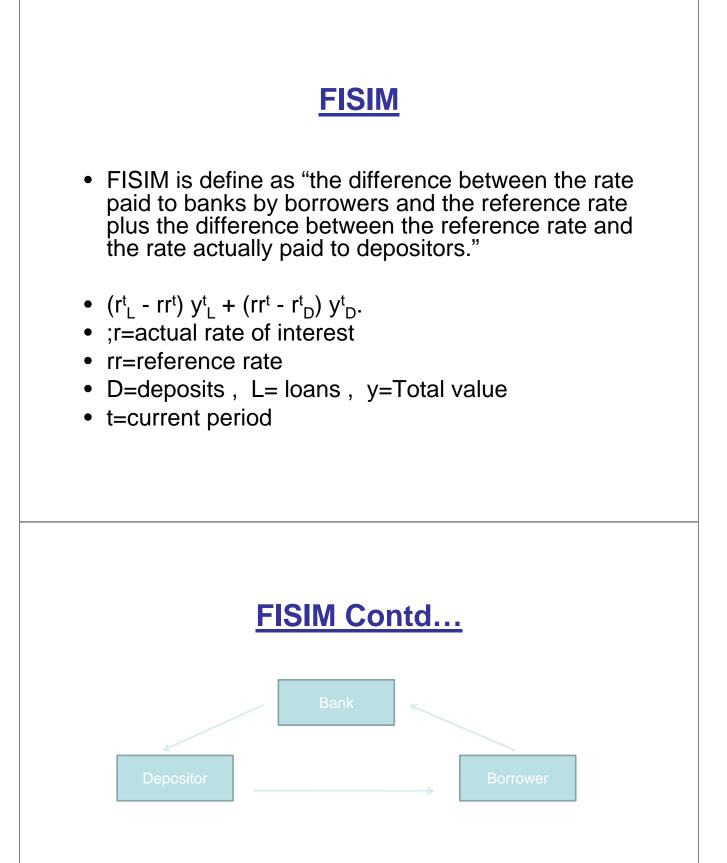
Output & GVA of Scheduled Banks (SNA 2008)

• Total Output=Output of FISIM + Output other than FISIM.

FISIM is most relevant part of output of Scheduled banks.

FIS section calculate FISIM on loans & deposits

According to the reference rate.



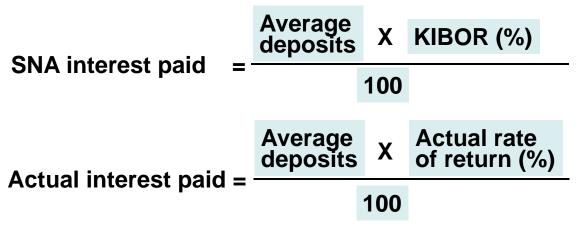
Output of FISIM

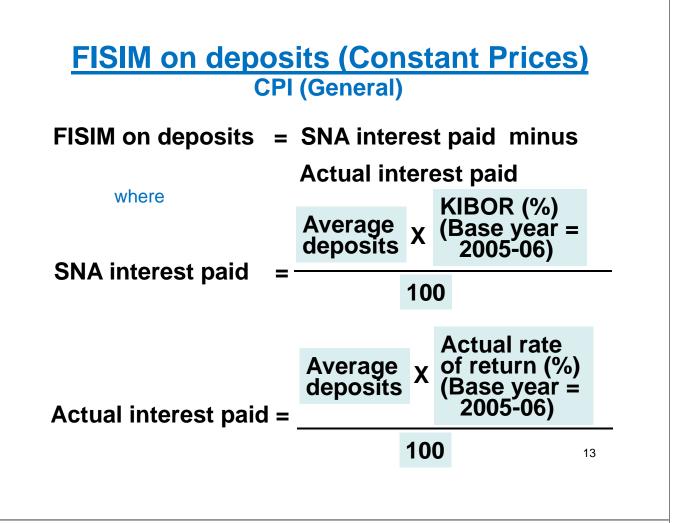
- 6. FISIM on loans/deposits?
- (i) Annual avg rate of 3 months KIBOR
- (ii) Annual avg of loans/deposits
- (iii) SNA- interest received/paid =(i*ii)
- (iv) Weighted annual avg rate of return on loans/deposits
- (v) Actual interest received/paid =(ii*iv)
- 6 FISIM on loans=(v-iii)
- 7 FISIM on deposits= (iii-v)
- 8 Output of FISIM= 6+7
- 9 GVA=Total output- Intermediate consumption

FISIM on deposits

FISIM on deposits = SNA interest paid minus Actual interest paid

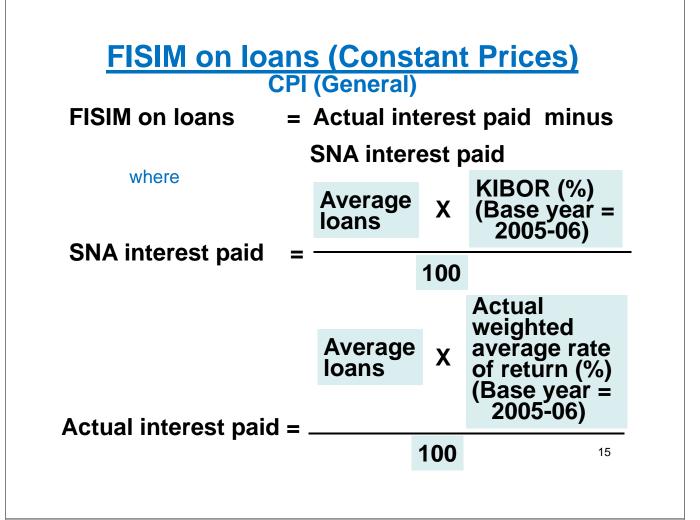
where





FISIM on loans

	Actual interest paid minus SNA interest paid		
where			Jaiu
SNA interest paid =	Average Ioans	X	KIBOR (%)
SNA Interest paid –		100	
			Actual
	Average loans	X	weighted average rate of return (%)
Actual interest paid =		100	14



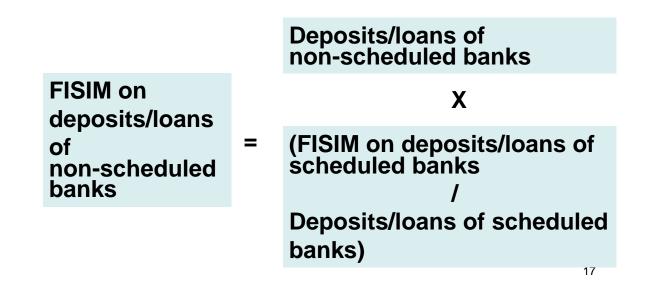
Output & GVA of Non Scheduled Banks (SNA 2008)

Output of FISIM= FISIM for total loans + FISIM for total deposits

GVA= Total output (FISIM +Other than FISIM)- Intermediate consumption

FISIM of non-scheduled banks

 ASSUMPTION: The ratios of FISIM to loans & FISIM to deposits do not differ between scheduled banks and non-scheduled banks



FISIM of non-scheduled banks (Constant price)

Ratio of FISIM of scheduled banks to deposits/loans at constant prices to be used to deflate the FISIM of non-scheduled banks

Total FISIM

 Total FISIM of Banks = FISIM on loans of Scheduled banks+ FISIM on loans of Non-scheduled banks

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FISIM on deposits of **Scheduled banks+** FISIM on deposits of **Non-scheduled banks**

Insurance & Pension Funds Life=10 & Non Life=38, Pension Fund=1

• The insurance companies and the pension funds gather all institutional units aiming at insuring i.e. to transform individual risks into collective risks, by guaranteeing the payment of a sum (allowance or service) in case a risk is realizing.

Output of Non-Life Insurance Companies

- The output of the insurance corporation represents the service provided to the policy holders. The output of direct non-life insurance is
- premiums earned
- *plus* premium supplements
- less adjusted claims incurred

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Output of Life Insurance Companies

- The output of life insurance is derived as premiums earned
- plus premium supplements
- less benefits due
- less increases (plus decreases) in life insurance reserves.

Gross Value Added Of Insurance Companies

Gross value added of Insurance companies is defined as output less intermediate consumption.

A. Output of EOBI (Pension Fund)

- Total Output = Non market Output .
- Non market Output = Intermediate consumption + compensation of employees + Consumption of fixed capital (depreciation).



Gross Value Added Of EOBI

Gross value added of Pension Fund is defined as output less intermediate consumption