

Table
1.8

Developments in Money Aggregates

Item	Rs. billion				
	End 2019	End 2020	End 2021	End 2022	End 2023 (a)
1. Reserve Money	933	964	1,306	1,349	1,329
(% change Y-o-Y)	-3.0	3.4	35.4	3.3	-1.5
Net Foreign Assets of the Central Bank	896	527	-387	-1,614	-837
Net Domestic Assets of the Central Bank	37	438	1,693	2,963	2,166
2. Narrow Money (M₁)	865	1,177	1,460	1,454	1,658
(% change Y-o-Y)	4.2	36.0	24.0	-0.4	14.1
3. Broad Money (M_{2b})	7,624	9,406	10,647	12,290	13,189
(% change Y-o-Y)	7.0	23.4	13.2	15.4	7.3
3.1 Net Foreign Assets (NFA)	101	-209	-982	-1,767	-456
Monetary Authorities (b)	896	527	-387	-1,614	-837
Licensed Commercial Banks (LCBs)	-795	-736	-595	-153	381
3.2 Net Domestic Assets (NDA)	7,523	9,615	11,629	14,056	13,645
Domestic credit	9,411	11,721	14,002	16,632	16,421
Net Credit to the Government (NCG)	2,796	4,548	5,832	7,471	8,285 (c)
Central Bank	363	869	2,094	3,432	2,376
Licensed Commercial Banks (LCBs)	2,433	3,679	3,738	4,039	5,909
Credit to Public Corporations / SOBEs	818	1,002	1,188	1,750 (d)	770 (c)
Credit to the Private Sector	5,797	6,171	6,981	7,411 (d)	7,366
(% change Y-o-Y)	4.2	6.5	13.1	6.2	-0.6
Other Items (net)	-1,887	-2,106	-2,373	-2,576	-2,776
4. Broad Money (M₃)	9,445	11,462	12,985	14,840	15,829
(% change Y-o-Y)	8.2	21.4	13.3	14.3	6.7
4.1 Net Foreign Assets (NFA)	89	-217	-999	-1,767	-456
Monetary Authorities (b)	896	527	-387	-1,614	-837
Licensed Commercial Banks (LCBs)	-795	-736	-595	-153	381
Licensed Specialised Banks (LSBs)	-12	-8	-17	0	0
4.2 Net Domestic Assets (NDA)	9,356	11,679	13,984	16,607	16,285
Net Credit to the Government (NCG)	3,483	5,366	6,769	8,469	9,507 (c)
Central Bank	363	869	2,094	3,432	2,376
Licensed Commercial Banks (LCBs)	2,433	3,679	3,738	4,039	5,909
Licensed Specialised Banks (LSBs)	614	742	845	881	1,022
Licensed Finance Companies (LFCs)	73	75	92	116	200
Credit to Public Corporations / SOBEs by (LCBs)	818	1,002	1,188	1,750 (d)	770 (c)
Credit to the Private Sector	7,793	8,285	9,339	9,917 (d)	9,815
(% change Y-o-Y)	3.9	6.3	12.7	6.2	(1.0)
Licensed Commercial Banks (LCBs)	5,797	6,171	6,981	7,411 (d)	7,366
Licensed Specialised Banks (LSBs)	814	936	1,094	1,159	1,126
Licensed Finance Companies (LFCs)	1,182	1,177	1,264	1,347	1,323
Other items (net)	-2,738	-2,973	-3,312	-3,529	-3,807
Memorandum Items:					
Money Multiplier (M _{2b})	8.18	9.75	8.15	9.11	9.93
Velocity (M _{2b} average) (e)	2.16	1.84	1.73	2.04 (d)	2.19

(a) Provisional

(b) This includes NFA of the Central Bank as well as the Government's Crown Agent's balance reported by the Department of State Accounts

(c) With the approval of the Cabinet of Ministers at its meeting held on 30 January 2023, the outstanding foreign currency guaranteed debt of the Ceylon Petroleum Corporation (CPC) was absorbed into central government debt with effect from December 2022. Accordingly, this adjustment was implemented in two phases, first in April 2023 and subsequently in December 2023, hence, was reflected in the balance sheets of the particular state owned commercial banks, which caused a reduction in credit to Public Corporations/ SOBEs and a corresponding expansion in Net Credit to the Government (NCG).

(d) Revised

(e) Based on rebased GDP estimates (base year 2015) by the Department of Census and Statistics

Source: Central Bank of Sri Lanka