

PMYBL Quarterly Review
Prime Minister Youth Business Loans Scheme

As of December, 2014



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Executive Summary

Under PMYBL¹ Scheme, launched by the Prime Minister in December, 2013, loans up to Rs. 2,000,000 are being provided through the banking system at service charges of 8 percent per annum for borrowers, while the rate of return for banks working as Executing Agencies (EAs) for PMYBL is one year KIBOR+500 bps with KIBOR to be reset every year. Portfolio risk coverage upto 5 percent is also available under the Scheme for EAs.

PMYBL Scheme is gradually picking up pace as many private banks are also launching the PMYBL products. PMYBL data also indicates towards steady progress of PMYBL considering the significant number of applications received under the Scheme. As on 31st December, 2014, a total of 62,331 applications were received, 5 percent higher than the applications received as on 30th September, 2014. Only 1 percent of total received applications were rejected in the quarter under review. An increase was witnessed in the number of loans and amount sanctioned during this quarter. Total amount of Rs 15,862 million had been sanctioned against 15,402 loans by the quarter end. Rs 1,990 million were sanctioned during quarter December, 2014 which was 14 percent higher than the sanctions made during previous quarter (September, 2014). National Bank of Pakistan (NBP) sanctioned Rs 1,979 million and First Women Bank Limited (FWBL) sanctioned Rs 11 million during quarter ended December, 2014.

As far as disbursements are concerned, during the quarter ended December, 2014, NBP disbursed an amount of Rs. 888.4 million while FWBL disbursed Rs. 10 million. Disbursement of NBP in quarter Oct-Dec, 2014 was 34 percent higher than the disbursement made in Jul-Sep, 2014 quarter. Similarly, disbursement of FWBL was 9 percent higher than previous quarter's disbursement. Out of total 62,331 completed application forms received by both the NBP and FWBL, 86 percent were submitted by male and 14 percent by female loan applicants respectively.

¹ PMYBL: Prime Minister Youth Business Loans

Status of Prime Minister's Youth Business Loans

Prime Minister Youth Business Loans (PMYBL) Scheme is gradually picking up pace as many private banks are also launching the PMYBL Scheme. PMYBL data also indicates towards steady progress of PMYBL considering the significant number of applications received under the Scheme. As of 31st December, 2014, 62,331 application forms were received from potential borrowers which were 5 percent higher than the applications received as of 30th September, 2014. Out of 62,331 applications, 61,877 applications were received in NBP while 454 applications were submitted in FWBL.

As far as rejection of the application forms is concerned, it seems that potential borrowers have developed an understanding of the application procedures very well. This is clearly indicated by the numbers of rejected application forms. Number of rejected applications in the quarter under review was 579, which is around 1 percent of the total applications received. Out of 579 rejected applications, 366 were rejected by NBP and 223 were rejected by FWBL.

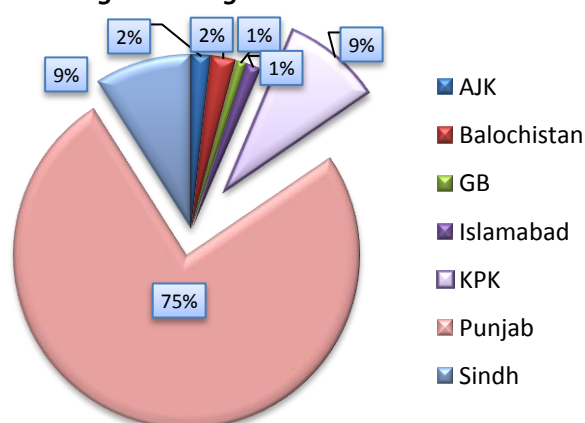
An amount of Rs 15,862 million was sanctioned by NBP and FWBL collectively. In the quarter under review, NBP sanctioned Rs 1,979 million while FWBL sanctioned Rs 11 million. Collectively, those sanctions were 14 percent higher in terms of sanctioned amount and 16% higher in terms of number of applications than the sanctions position as of 30th September, 2014.

Table No 1: Details of Sanctions

Banks	Cumulative Position-Sep-14		Cumulative Position-Dec-14		Percent Change	
	No. of Cases	Sanctioned Amount (Million Rs.)	No. of Cases	Sanctioned Amount (Million Rs.)	No. of Cases	Sanctioned Amount (Million Rs.)
NBP	13,107	13,700	15,249	15,679	16%	14%
FWBL	143	172	153	183	7%	6%
Total	13,250	13,872	15,402	15,862	16%	14%

Region Wise Position: As of 31st December, 2014, total number of applications submitted was 62,331, out of which 75 percent loan applications were received from Punjab, 2 percent from AJK² and Baluchistan each, 1 percent from GB³ and Islamabad (Capital Territory) each while 9 percent of applications

Figure A: Region Wise Position



² AJK: Azad Jammu & Kashmir

³ GB: Gilgit-Baltistan

were received from KPK⁴ and Sindh each. **(Figure A)**. As compared to previous quarter, in the quarter under review, share of applications received shows same pattern as of previous quarter.

Gender-wise position: Out of total 62,331 completed application forms received by both NBP and FWBL, 86 percent (53,555 applications) were submitted by male and 14 percent (8,776 applications) by female **(Figure B)**. The ratio of women applicants is quite low in view of the fact that under PMYBL, 50% quota is allocated for women. Hence, banks may gear up their sales team to target unemployed women entrepreneurs with technical degrees to avail financing under this scheme. When compared to previous quarter, female applicants increased considerably by 7 percent. On the other hand, share of male applicants witnessed a decline of 1% as it went down from 87% to 86% during the quarter under review.

Figure C shows the gender-wise position in different regions. The maximum participation of female applicants was in Islamabad region with a percentage of 22, while the lowest female participation was in GB with share of 4.5 percent in total applications received in GB. In Baluchistan, the percentage of female participants is almost 7 percent while Punjab region stands at 14 percent, Sindh & AJK at 11 percent.

Figure B: Gender wise position

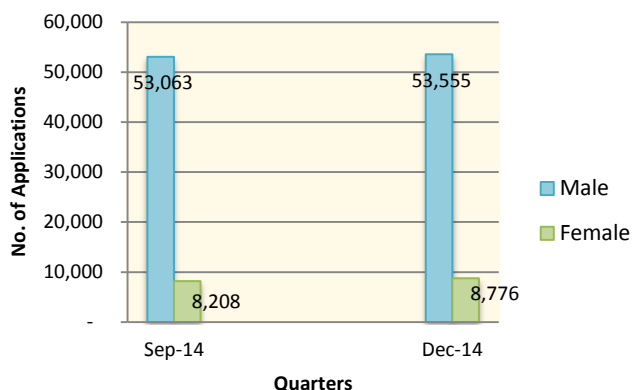
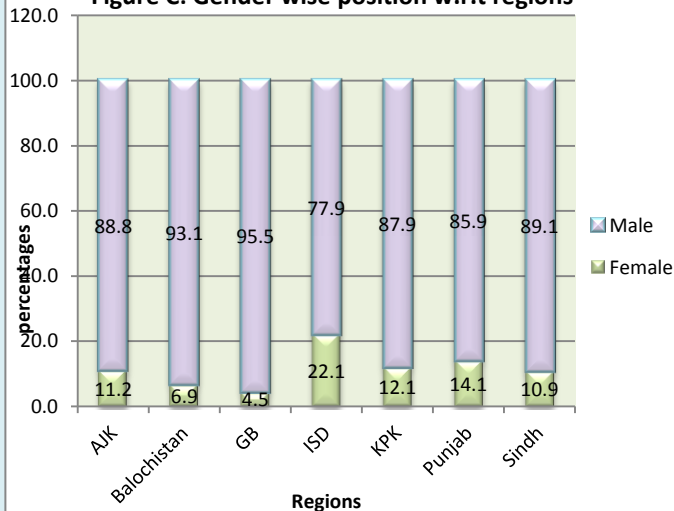


Figure C: Gender wise position w.r.t regions



Disbursements: As of December 31, 2014, PMYBL Scheme was being implemented by two banks only i.e. NBP and FWBL. Total disbursements by these two banks were Rs 3,585 million against 5,534 loans, out of which, Rs 3,469 million were disbursed by NBP while Rs 116 million were

*by the end of Dec, 2014,
NBP had disbursed Rs.
3,468.7 million while
FWBL disbursed Rs. 116
million only*

⁴ KPK: Khyber Pakhtunkhaw

disbursed by FWBL. NBP disbursed Rs 888.4 million during the quarter under review which was 34 percent higher than the disbursements of previous quarter while FWBL disbursed Rs. 10 million, which was 9 percent higher than the disbursements made in previous quarter. **(Table 2)**

<u>Table No 2: Details of Disbursements</u>						
Banks	Cumulative Position-Sep-14		Cumulative Position-Dec-14		Percent Change	
	No. of Cases	Disbursed Amount (Million Rs.)	No. of Cases	Disbursed Amount (Million Rs.)	No. of Cases	Disbursed Amount (Million Rs.)
NBP	4,545	2580.3	5,432	3468.7	20%	34%
FWBL	89	106	102	116	15%	9%
Total	4,634	2,686.3	5,534	3,584.7	19%	33%