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SBP allocates Rs.360 billion agriculture credit disbursement target for banks

The State Bank of Pakistan has provisionally allocated agricultural credit disbursement target of Rs 360 billion to banks for the year 2013-14. The target is 14.2% higher than the target of Rs 315 billion and 7.1% higher than the actual disbursement of Rs 336.2 billion for 2012-13. Out of the target, Rs 180.0 billion have been allocated to five large banks, Rs 69.5 billion to ZTBL, Rs 81.4 billion to Domestic Private Banks, Rs 9.0 billion to Punjab Provincial Cooperative Bank, Rs 19.6 billion to 7 Microfinance Banks and Rs 0.5 billion to 3 Islamic Banks inducted from the current financial year.

Against the target of Rs 360 billion, banks disbursed Rs 91.2 billion during July-October, 2013 which is 25.3% of the target. The disbursement is 7.0 % higher than Rs 85.6 billion disbursement during the corresponding period last year. The outstanding portfolio of agri. loans has increased by Rs 37.2 billion i.e. from Rs 230.2 billion to Rs 267.4 billion at end October, 2013 as compared to the same period last year.

Five large banks collectively disbursed agri. loans of Rs 57.0 billion or 32% of their annual target, higher by 6.2% from Rs 53.7 billion disbursed during the corresponding period last year. MCB has achieved 38% of its annual target while NBP, HBL, UBL and ABL have achieved 36%, 33%, 22 % and 20% of their individual targets respectively. Amongst specialized banks, ZTBL could disburse only Rs 9.3 billion or 13.5% against its target of Rs 69.5 billion while PPCBL achieved 15% of its target by disbursing Rs 1.36 billion during the period under review.

Fourteen Domestic Private Banks as a group achieved 24.5% of their target. However, the banks including Sindh Bank, Summit Bank, Silk Bank, Bank Al Habib, NIB Bank and The Bank of Khyber achieved 73%, 41%, 40%, 36%, 33% and 32% of their annual targets respectively. Soneri Bank, Bank Alfalah, Faysal and Askari Bank could achieve only 24%, 23%, 18% and 17% of their targets respectively. Seven Microfinance Banks as a group disbursed agri. loans of Rs 3.6 billion or 18% of their annual target of Rs 19.6 billion. The three Islamic Banks as a group disbursed Rs 0.15 billion to agri. borrowers against a target of Rs 0.5 billion under the Islamic modes of financing during the review period.
