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## **Upward revision in agri credit disbursement target to Rs 380 billion**

Against the agri credit target of Rs 380 billion for FY 2013-14, banks disbursed Rs 190 billion during July-January, 2014 which is 50% of the target. The disbursement is 12.0% higher than Rs 169.4 billion disbursement during the corresponding period last year. The outstanding portfolio of agri. loans has increased by Rs 40.1 billion (17.2%) i.e. from Rs 232.7 billion to Rs 272.8 billion at end January, 2014 as compared to same period last year.

It may be noted that in the light of banks' encouraging performance in the last two years, the Agricultural Credit Advisory Committee (ACAC) in its meeting held on February 17, 2014 under the chairmanship of the Governor (Acting) SBP, had approved an upward revision in the provisional agriculture disbursement target of Rs 360 billion to Rs 380 billion for FY 2013-14. The revised target is 13 per cent higher than Rs 336 billion disbursed in 2012-13. Accordingly, Rs 188.0 billion (49.5%) have been allocated to five major commercial banks, Rs 90.4 billion (23.8%) to fourteen Domestic Private Banks, Rs 69.5 billion (18.3%) to ZTBL, Rs 10.0 billion (2.6%) to Punjab Provincial Cooperative Bank, Rs 21.6 billion (5.7%) to 7 Microfinance Banks and Rs 0.5 billion (0.1%) to newly inducted 3 Islamic banks.

Five major commercial banks as a group disbursed agri. loans of Rs 98.7 billion or 52.5% of its annual target which is higher by 10.0% from Rs 89.6 billion during the corresponding period last year. Amongst the major banks MCB achieved 57.3 %, HBL 56.7%, NBP 55.4%, UBL 43.8% and ABL could manage only 41.6% of their individual annual targets.

Amongst specialized banks, ZTBL could achieve only 45.4% of its target by disbursing Rs 31.5 billion against its annual target of Rs 69.5 billion while PPCBL achieved 47.2% of its target of Rs 10.0 billion by disbursing Rs 4.7 billion during the period under review.

Fourteen Domestic Private Banks collectively achieved 46.0% of their targets. However, Bank Al Habib achieved 63.8% of its annual target while, The Bank of Punjab achieved 52.7%, Sindh Bank 50.2% and The Bank of Khyber 50.0% of their annual targets. Further, Faysal Bank achieved 45.1%, Soneri Bank 44.5% and Bank Alfalah achieved 42.8% of their targets. Amongst the 14 Domestic Private Banks, NIB Bank could achieve only 33.3%, Silk Bank 32.9%, Askari Bank 21.6%, Summit Bank 19.1%, and KASB 16.5% of their annual targets.

Seven Microfinance Banks as a group disbursed agri. loans of Rs 13.1 billion or 60.8% of their annual target of Rs 21.6 billion. Under the Islamic modes of financing the newly inducted Islamic Banks collectively disbursed Rs 0.252 billion or 47.6% against a target of Rs 0.532 billion to agri. borrowers during period under review.

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