



PMYBL Quarterly Review as of December 31, 2017

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Infrastructure, Housing & SME Finance Department

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Executive Summary

The Government of Pakistan, being cognizant of the important role played by youth and small businesses in the economic development, introduced Prime Minister's Youth Business Loans (PMYBL) Scheme in 2013 with the aim of providing youth the opportunities of financial independence through self-employment. Under the Scheme, small businesses are provided loans upto Rs 2,000,000/- at a service charge of 6 percent.

Total number of applications received by the Executing Agencies (EAs) under PMYBL Scheme as of December 31, 2017 stood at 92,811 showing growth of 3 percent over September 30, 2017. Of the total applications received so far under the scheme, 88 percent were from male applicants. Moreover, since the launch of the scheme, number of sanctioned applications stood at 27,421 as on December 31, 2017, while cumulative disbursements of Rs 21,617.70 million have been made to 21,622 beneficiaries upto December 31, 2017.

1. Introduction

Small businesses have potential to revitalize economic activity by creating employment opportunities, reducing poverty and providing economic linkages and services to the corporate sector. The growth of small businesses and their access to formal finance is imperative for development of economy. However, despite their strong potential, the small businesses, particularly of young entrepreneurs, have traditionally remained credit constrained due to high risk perception of banks towards them.

The Government of Pakistan introduced Prime Minister's Youth Business Loans (PMYBL) Scheme in 2013 for providing the opportunities of financial independence to youth through self-employment. Under the scheme, unemployed youth are extended loans upto Rs 2,000,000/- at a service charge of 6 percent for setting up new business or strengthening existing business. The rate of return for lending banks is one year KIBOR+500 bps. Difference of banks' rates and borrowers' rate is being absorbed by the federal government in the form of subsidy. As a further incentive to the banks, GOP also shares 5% of credit losses of total outstanding loan portfolio of the banks under the Scheme. Currently, eighteen banks are participating in the Scheme, of which three are public sector banks (NBP, FWBL and Sindh Bank Limited) while remaining fifteen are private sector banks.

2. Status of PMYBL Scheme

2.1 Applications Received under PMYBL

During the CY2017 (Jan-Dec, 2017), Executing Agencies (EAs) under PMYBL received 18,351 applications registering a growth of 25 percent over CY2016. The largest number of applications was received by NBP followed by JS Bank. With the addition of 18,351 applications, cumulative applications received under PMYBL as of December 31, 2017 stood at 92,811. Out of these 92,811 applications, 81,300 applications (88 percent) were received from male applicants and 11,511 (12 percent) applications were received from female applicants. Table 1 provides a detailed bank-wise position of applications received under PMYBL Scheme.

| Table No 1: Details of Received Applications | | | | | | | |
|--|-----------------------------|---------------|---------------|--------------|----------|---------------|-----------|
| Banks | No of Applications Received | | | Q-o-Q Change | | Y-o-Y Change | |
| | Dec, 2017 | Sept, 2017 | Dec, 2016 | Number | % | Number | % |
| NBP | 87,482 | 85,957 | 72,639 | 1,525 | 2 | 14,843 | 20 |
| JS Bank | 3,155 | 1,892 | 30 | 1,263 | 67 | 3,125 | 10,417 |
| Meezan Bank | 649 | 634 | 483 | 15 | 2 | 166 | 34 |
| FWBL | 604 | 595 | 562 | 9 | 2 | 42 | 7 |
| Summit Bank | 321 | 304 | 264 | 17 | 6 | 57 | 22 |
| UBL | 276 | 269 | 232 | 7 | 3 | 44 | 19 |
| Bank Al Habib | 70 | 69 | 54 | 1 | 1 | 16 | 30 |
| Sindh Bank | 63 | 58 | 39 | 5 | 9 | 24 | 62 |
| Albaraka | 62 | 62 | 62 | - | 0 | - | 0 |
| Askari Bank | 40 | 34 | 20 | 6 | 18 | 20 | 100 |
| HLB | 37 | 37 | 35 | - | 0 | 2 | 6 |
| Bank Alfalah | 33 | 31 | 22 | 2 | 6 | 11 | 50 |
| ABL | 12 | 12 | 12 | - | 0 | - | 0 |
| Soneri Bank | 3 | 3 | 3 | - | 0 | - | 0 |
| Dubai Islamic Bank | 2 | 2 | 1 | - | 0 | 1 | 100 |
| Habib Metropolitan | 2 | 2 | 2 | - | 0 | - | 0 |
| Total | 92,811 | 89,961 | 74,460 | 2,850 | 3 | 18,351 | 25 |

2.2 Applications Sanctioned under PMYBL

The sanctioned applications under PMYBL increased from 24,611 at the end of September, 2017 to 27,421 at the end of December, 2017. Similarly, the sanctioned amount under PMYBL increased from Rs 24,368.98 million at the end of September, 2017 to Rs 27,066.46 million at the end of December, 2017 registering a growth of 11 percent.

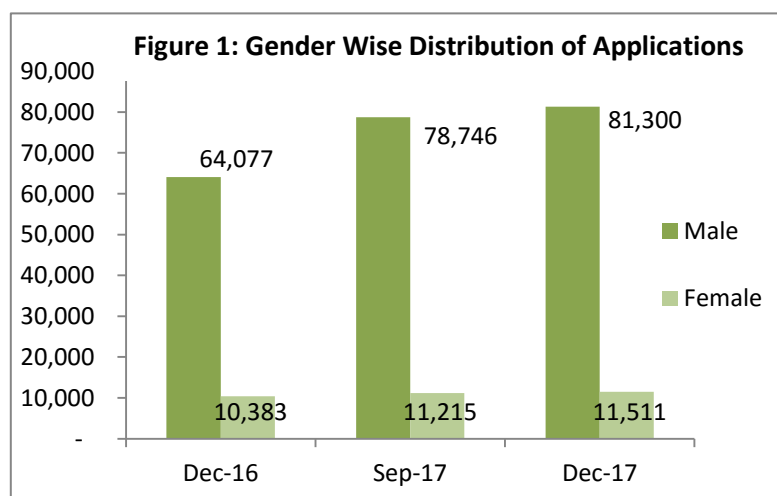
Table 2: Sanctioned Amount under PMYBL

| Banks | Amount in Rs Million | | | | | | | | | |
|--------------------|----------------------|------------------|---------------|------------------|---------------|------------------|--------------------|-----------|--------------------|-----------|
| | Dec, 2017 | | Sept, 2017 | | Dec, 2016 | | % Change in Number | | % Change in Amount | |
| | Number | Amount | Number | Amount | Number | Amount | Q-o-Q | Y-o-Y | Q-o-Q | Y-o-Y |
| NBP | 25,243 | 24,887.72 | 23,280 | 23,026.90 | 20,360 | 20,353.33 | 8 | 24 | 8 | 22 |
| JS Bank | 1,133 | 1,141.01 | 339 | 350.15 | 6 | 11.40 | 234 | 18,783 | 226 | 9,909 |
| Summit Bank | 277 | 298.86 | 248 | 268.42 | 195 | 187.49 | 12 | 42 | 11 | 59 |
| FWBL | 245 | 272.53 | 236 | 263.98 | 207 | 237.27 | 4 | 18 | 3 | 15 |
| Meezan Bank | 328 | 231.85 | 308 | 216.94 | 216 | 150.14 | 6 | 52 | 7 | 54 |
| UBL | 52 | 57.25 | 61 | 68.12 | 43 | 53.28 | -15* | 21 | -16* | 7 |
| Sindh Bank | 36 | 55.41 | 36 | 55.41 | 24 | 39.97 | 0 | 50 | 0 | 39 |
| Bank Al Habib | 27 | 44.59 | 27 | 44.59 | 20 | 35.68 | 0 | 35 | 0 | 25 |
| Albaraka | 43 | 36.36 | 43 | 36.36 | 42 | 35.79 | 0 | 2 | 0 | 2 |
| HBL | 13 | 19.40 | 13 | 19.40 | 11 | 15.40 | 0 | 18 | 0 | 26 |
| Askari Bank | 17 | 13.88 | 13 | 11.11 | 6 | 5.16 | 31 | 183 | 25 | 169 |
| ABL | 6 | 5.60 | 6 | 5.60 | 6 | 5.60 | 0 | 0 | 0 | 0 |
| Dubai Islamic Bank | 1 | 2.00 | 1 | 2.00 | 1 | 1.70 | 0 | 0 | 0 | 18 |
| Total | 27,421 | 27,066.46 | 24,611 | 24,368.98 | 21,137 | 21,132.19 | 11 | 30 | 11 | 28 |

*As some of the sanctioned applications were later withdrawn by the applicants

2.3 Gender Wise Status of Applications Received under PMYBL

During quarter under review, 2,554 applications were received from male and 296 applications from female applicants under the scheme. By the end of December, 2017 quarter, male applicants constituted 88 percent of the total applications received so far under PMYBL.



2.4 Position of Disbursements under PMYBL

Table 3 provides the details of loans disbursed by all the Executing Agencies under the scheme. A total disbursement of Rs 2,270 million was made to 2,332 borrowers during Oct-Dec, 2017 quarter under PMYBL with major contribution from National Bank of Pakistan. A year-on-year growth of 22 percent was observed with respect to loans disbursed under the scheme with the total disbursed amount

increasing from Rs 17,704.92 million (17,690 borrowers) at the end of December, 2016 to Rs 21,617.70 million (21,622 borrowers) at the end of December, 2017.

On quarter-on-quarter basis, a growth of 12 percent was observed with total disbursed amount increasing to Rs 21,617.70 million at the end of December, 2017 from Rs 19,347.41 million at the end of September, 2017.

| Table 3: Disbursements under PMYBL | | | | | | | | | | |
|------------------------------------|----------------------|------------------|---------------|------------------|---------------|------------------|--------------------|-----------|---------------------|-----------|
| Banks | Amount in Rs Million | | | | | | | | | |
| | Dec, 2017 | | Sept, 2017 | | Dec, 2016 | | % Change in Number | | % Change in Amounts | |
| | Number | Amount | Number | Amount | Number | Amount | Q-o-Q | Y-o-Y | Q-o-Q | Y-o-Y |
| NBP | 19,553 | 19,573.23 | 18,074 | 18,134.45 | 17,016 | 17,039.44 | 8 | 15 | 8 | 15 |
| JS Bank | 1,131 | 1,116.61 | 339 | 344.85 | 6 | 11.40 | 234 | 18,750 | 224 | 9,695 |
| Summit Bank | 263 | 279.95 | 236 | 248.61 | 180 | 169.73 | 11 | 46 | 13 | 65 |
| FWBL | 202 | 217.89 | 188 | 204.59 | 161 | 179.41 | 7 | 25 | 7 | 21 |
| Meezan Bank | 292 | 217.07 | 276 | 205.34 | 198 | 148.37 | 6 | 47 | 6 | 46 |
| UBL | 51 | 56.75 | 51 | 56.40 | 33 | 41.20 | 0 | 55 | 1 | 38 |
| Sindh Bank | 34 | 51.21 | 34 | 51.21 | 19.00 | 31.09 | 0 | 79 | 0 | 65 |
| Bank Al Habib | 27 | 44.59 | 27 | 44.59 | 20 | 35.68 | 0 | 35 | 0 | 25 |
| Albaraka | 40 | 30.74 | 40 | 30.74 | 40 | 30.74 | 0 | 0 | 0 | 0 |
| Askari Bank | 15 | 12.31 | 11 | 9.28 | 5.00 | 4.52 | 36 | 200 | 33 | 173 |
| HBL | 8 | 11.75 | 8 | 11.75 | 6 | 7.75 | 0 | 33 | 0 | 52 |
| ABL | 6 | 5.60 | 6 | 5.60 | 6 | 5.60 | 0 | 0 | 0 | 0 |
| Total | 21,622 | 21,617.70 | 19,290 | 19,347.41 | 17,690 | 17,704.92 | 12 | 22 | 12 | 22 |

*In December, 2016 review disbursements of Rs 31.94 against 41 loans was reported. One case was erroneously reported by the bank