



# PMYBL Scheme Quarterly Review as of December 31, 2018

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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, 2018 stood at 101,584. Of the total applications received so far under the scheme, 88 percent were from male applicants. Moreover, since launch of the scheme, number of sanctioned applications stood at 32,967 as on December 31, 2018, while cumulative disbursements of Rs 26,472 million had been made to 26,416 beneficiaries till December 31, 2018.

## 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' rate 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 quarter Oct - Dec 2018, Executing Agencies (EAs) under PMYBL received 232 applications. The largest number of applications was received by JS Bank (111) followed by NBP (76). With the addition of 232 applications, cumulative applications received under PMYBL as of December 31, 2018 stood at 101,584. Out of these 101,584 applications, 89,550 applications (88 percent) were received from male applicants and 12,034 (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, 2018	Sept, 2018	Dec, 2017	Number	%	Number	%
<b>NBP</b>	90,162	90,086	87,842	76	0%	2,680	3%
<b>JS Bank</b>	9050	8,939	3,155	111	1%	5,895	187%
<b>Meezan Bank</b>	686	685	649	1	0%	37	6%
<b>FWBL</b>	658	633	604	25	4%	54	9%
<b>Summit Bank</b>	347	347	321		0%	26	8%
<b>UBL</b>	329	313	276	16	5%	53	19%
<b>Bank Al Habib</b>	80	80	70		0%	10	14%
<b>Sindh Bank</b>	70	68	63	-2	3%	7	11%
<b>Albaraka</b>	62	62	62	-	0%	-	0%
<b>Askari Bank</b>	50	49	40	- 1	2%	10	25%
<b>HLB</b>	37	37	37	-	0%	-	0%
<b>Bank Alfalah</b>	33	33	33	-	0%		0%
<b>ABL</b>	13	13	12	-	0%	1	8%
<b>Soneri Bank</b>	3	3	3	-	0%	-	0%
<b>Dubai Islamic Bank</b>	2	2	2	-	0%	-	0%
<b>HABIBMETRO Bank</b>	2	2	2	-	0%	-	0%
<b>Faysal Bank</b>	-	-	-	-	-	-	-
<b>MCB</b>	-	-	-	-	-	-	-
<b>Total</b>	<b>101,584</b>	<b>101,352</b>	<b>92,811</b>	<b>232</b>	<b>0.2%</b>	<b>8,773</b>	<b>9%</b>

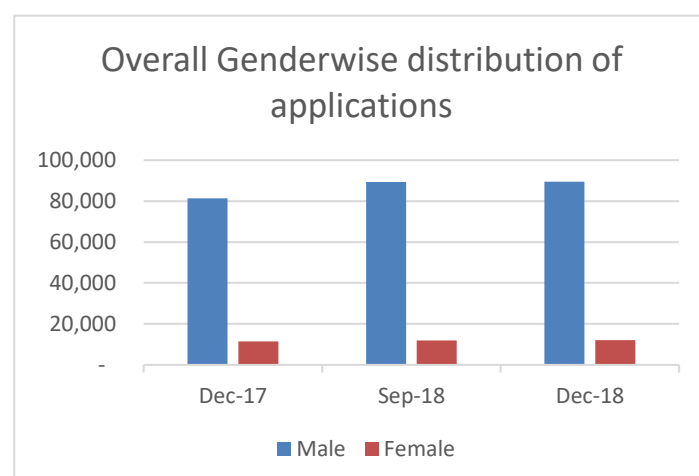
## 2.2 Applications Sanctioned under PMYBL

The sanctioned applications under PMYBL increased from 32,716 at the end of September, 2018 to 32,967 at the end of December, 2018. Similarly, the sanctioned amount under PMYBL increased from Rs 32,521 million at the end of September, 2018 to Rs 32,730 million at the end of December, 2018. When a comparison is drawn with the sanctioned amount of Rs 27,064 million as on December, 2017 it translates into a healthy YOY growth of 21%.

Table 2: Sanctioned Amount under PMYBL							Amount in Rs million			
Banks	Dec, 2018		Sep, 2018		Dec, 2017		% Change in Numbers		% Change in Amount	
	Number	Amount	Number	Amount	Number	Amount	Q-o-Q	Y-o-Y	Q-o-Q	Y-o-Y
<b>NBP</b>	28,036	27,692.83	27,892	27,596.82	25,243	24,887.72	0.52%	11%	0%	11%
<b>JS Bank</b>	3,721	3,802.71	3,646	3,722.27	1,133	1,141.01	2.06%	228%	2%	233%
<b>Summit Bank</b>	327	361.48	327	361.48	277	298.86	0%	18%	0%	21%
<b>FWBL</b>	303	332.33	277	309.98	245	272.53	9.39%	24%	7%	22%
<b>Meezan Bank</b>	348	255.72	347	254.42	328	231.85	0.29%	6%	1%	10%
<b>Sindh Bank</b>	48	76.41	46	72.41	36	55.41	4.35%	33%	6%	38%
<b>UBL</b>	67	72.14	65	69.22	52	57.25	3.08%	29%	4%	26%
<b>Bank Al Habib</b>	32	51.89	32	51.89	27	44.59	0%	19%	0%	16%
<b>Albaraka</b>	43	36.36	43	36.36	43	36.36	0%	0%	0%	0%
<b>HBL</b>	13	19.40	13	19.40	13	19.40	0.00%	0%	0%	0%
<b>Askari Bank</b>	22	20.95	21	19.38	17	13.88	5%	29%	8%	51%
<b>ABL</b>	7	7.60	7	7.60	6	5.60	0%	17%	0%	36%
<b>Total</b>	<b>32,967</b>	<b>32,730</b>	<b>32,716</b>	<b>32,521</b>	<b>27,420</b>	<b>27,064</b>	<b>0.77%</b>	<b>20%</b>	<b>1%</b>	<b>21%</b>

### 2.3 Gender-wise Status of Applications Received under PMYBL

During quarter under review, 204 applications were received from male and 28 applications from female applicants under the scheme. By the end of December, 2018 quarter, male applicants constituted 88 percent of the total applications received so far under PMYBL., while remaining 12 percent constituted the share of female applicants.



## 2.4 Position of Disbursements under PMYBL

Table 3 provides the details of loans disbursed by all the EAs under the scheme. A total disbursement of Rs 300 million was made to 287 borrowers during Oct - Dec 2018 quarter under PMYBL with major contribution from JS Bank. 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 21,618 million (21,622 borrowers) at the end of December, 2017 to Rs 26,472 million (26,416 borrowers) at the end of December, 2018.

Table 3: Disbursements under PMYBL										
Banks	Amount in Rs million									
	Dec, 2018		Sep, 2018		Dec, 2017		% Change in Numbers		% Change in Amount	
	Number	Amount	Number	Amount	Number	Amount	Q-o-Q	Y-o-Y	Q-o-Q	Y-o-Y
NBP	21,591	21,640.94	21,415	21,457.22	19,553	19,573.23	1%	10%	1%	11%
JS Bank	3,719	3,702.87	3,644	3,625.69	1,131	1,116.61	2%	229%	2%	232%
Summit Bank	314	343.54	312	339.68	263	279.75	1%	19%	1%	23%
FWBL	260	278.49	233	254.14	202	217.89	12%	29%	10%	28%
Meezan Bank	311	240.07	310	238.77	292	217.07	0%	7%	1%	11%
Sindh Bank	46	72.21	44	68.21	34	51.21	5%	35%	6%	41%
UBL	65	71.14	62	67.72	51	56.75	5%	27%	5%	25%
Bank Al Habib	32	51.89	32	51.89	27	44.59	0%	19%	0%	16%
Albaraka	40	30.74	40	30.74	40	30.74	0%	0%	0%	0%
Askari Bank	23	21.00	22	19.05	15	12.31	5%	53%	10%	71%
HBL	8	11.75	8	11.75	8	11.75	0%	0%	0%	0%
ABL	7	7.60	7	7.60	6	5.60	0%	17%	0%	36%
<b>Total</b>	<b>26,416</b>	<b>26,472</b>	<b>26,129</b>	<b>26,172</b>	<b>21,622</b>	<b>21,618</b>	<b>1%</b>	<b>22%</b>	<b>1%</b>	<b>22%</b>