



PMYBL Quarterly Review as of June 30, 2017

Team Leader

Syed Basit Aly

basit.aly@sbp.org.pk

Members**Prepared by**

(Ms.) Sonal Shahid

sonal.shahid@sbp.org.pk

Reviewed by

Imran Ahmad

imran.ahmad@sbp.org.pk

For feedback/queries:

smefd@sbp.org.pk

DISCLAIMER

Whilst every effort has been made to ensure the quality and accuracy of the data/information provided in this document, the State Bank of Pakistan makes no warranty concerning the contents of this Review. The contents and comments are provided for educational purposes as well as for general information only. In no event the State Bank, its affiliates or other stakeholders will be liable for any mistakes.

Infrastructure, Housing & SME Finance Department

Table of Contents

Executive Summary..... 1

1. Introduction 2

2. Status of PMYBL Scheme 2

 2.1 Applications Received under PMYBL 2

 2.2 Applications Sanctioned under PMYBL..... 3

 2.3 Gender Wise Status of Applications Received under PMYBL..... 4

 2.4 Position of Disbursements under PMYBL 4

Table of Figures

Figure 1: Gender Wise Distribution of Applications.....4

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 June 30, 2017 stood at 80,991 showing growth of 3 percent over March 31, 2017. Of the total applications received so far under the scheme, 87 percent were from male applicants while the share of female applicants was 13 percent. Moreover, since the launch of the scheme, number of sanctioned applications stood at 23,265 as on June 30, 2017, while cumulative disbursements of Rs 18,483 million have been made to 18,443 beneficiaries upto June 30, 2017. Disbursement of Rs 443 million was made during Apr-Jun, 2017 quarter under PMYBL registering a growth of 2 percent over March 31, 2017 position.

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 quarter Apr-Jun, 2017, Executing Agencies (EAs) under PMYBL received 2,052 new applications registering a growth of 3 percent over Jan-Mar, 2017 quarter. The largest number of applications was received by NBP followed by JS Bank that showed a significant improvement as the number of applications received by JS Bank recorded a growth of 314 percent during the quarter under review. With the addition of 2,052 new applications, cumulative applications received under PMYBL as of June 30, 2017 stood at 80,991. Of these 80,991 applications, 70,160 applications (87 percent) were received from male applicants and 10,831 (13 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	
	June, 2017	Mar, 2017	June, 2016	Number	%	Number	%
NBP	78,463	76,883	70,317	1,580	2	8,146	12
Meezan Bank	603	559	281	44	8	322	115
FWBL	586	583	527	3	1	59	11
JS Bank	489	118	9	371	314	480	5,333
Summit Bank	292	275	125	17	6	167	134
UBL	262	251	211	11	4	51	24
BAHL	64	58	42	6	10	22	52
Albaraka	62	62	36	-	0	26	72
Sindh Bank	54	44	27	10	23	27	100
HBL	37	35	29	2	6	8	28
Askari Bank	34	28	15	6	21	19	127
Bank Alfalah	26	24	9	2	8	17	189
ABL	12	12	12	-	0	-	0
Soneri Bank	3	3	2	-	0	1	50
Dubai Islamic Bank	2	2	1	-	0	1	100
HMBL	2	2	1	-	0	1	100
Total	80,991	78,939	71,644	2,052	3	9,347	13

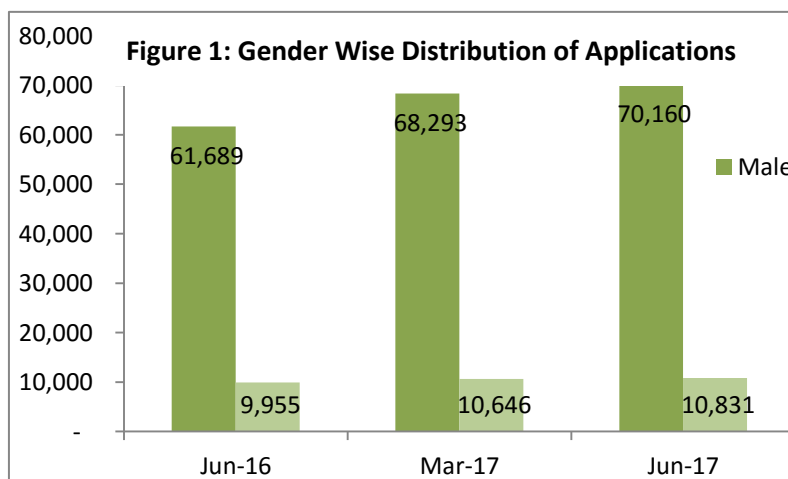
2.2 Applications Sanctioned under PMYBL

The sanctioned amount under PMYBL increased from Rs 21,663 million at the end of March, 2017 to Rs 23,051 million at the end of June, 2017 registering a growth of 6 percent.

Table 2: Sanctioned Amount under PMYBL							Amount in Rs Million			
Banks	June, 2017		Mar, 2017		June, 2016		% Change in Amounts		% Change in Number	
	Number	Amount	Number	Amount	Number	Amount	Q-o-Q	Y-o-Y	Q-o-Q	Y-o-Y
NBP	22,250	22,030	20,851	20,784	16,477	16,714	6	32	7	35
FWBL	227	256	218	246	184	216	4	18	4	23
Summit Bank	234	249	209	207	73	59	21	324	12	221
Meezan Bank	292	205	274	192	121	106	7	94	7	141
JS Bank	77	85	15	24	2.0	3	253	2404	413	3750
UBL	57	64	49	59	31	39	9	65	16	84
Sindh Bank	31	49	27	45	13	23	8	116	15	138
BAHL	25	42	23	40	13	24	6	73	9	92
Albaraka	43	36	43	36	20	17	0	113	0	115
HBL	13	19	11	15	4	6	26	234	18	225
AKBL	9	8	7	7	6	5	18	63	29	50
ABL	6	6	6	6	6	6	0	0	0	0
Dubai Islamic Bank	1	2	1	2	1	2	0	18	0	0
Total	23,265	23,051	21,734	21,663	16,951	17,220	6	34	7	37

2.3 Gender Wise Status of Applications Received under PBYBL

During quarter under review, 1,867 applications were received from male and 185 applications from female applicants under the scheme. By the end of June, 2017 quarter, male applicants constituted 87 percent of the total applications received so far under PMYBL. The share of female applicants under the scheme was 13 percent which is significantly lower when compared to 50% quota reserved for women under the scheme.



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 443 million was made to 428 borrowers during Apr-Jun 2017 quarter under PMYBL

with major contribution from National Bank of Pakistan. A year-on-year growth of 127 percent was observed with respect to loans disbursed under the scheme with the total disbursed amount increasing from Rs 8,146 million (8,472 borrowers) at the end of June, 2016 to Rs 18,483 million (18,443 borrowers) at the end of June, 2017.

On quarter on quarter basis, a growth of 2 percent was observed with total disbursed amount increasing to Rs 18,483 million at the end of June, 2017 from Rs 18,040 million at the end of March, 2017.

Table 3: Disbursements under PMYBL							Amount in Rs Million			
Banks	June, 2017		Mar, 2017		June, 2016		% Change in Amounts		% Change in Number	
	Number	Amount	Number	Amount	Number	Amount	Q-o-Q	Y-o-Y	Q-o-Q	Y-o-Y
NBP	17,546	17,583	17,252	17,284	8,130	7,775	2	126	2	116
Summit Bank	223	233	197	194	34	41	20	471	13	556
FWBL	183	201	170	188	138	157	7	28	8	33
Meezan Bank	255	189	239	177	92	75	7	15	7	177
JS Bank	77	85	15	24	2	3	253	2404	413	3750
UBL	42	48	35	43	20	26	12	83	20	110
Sindh Bank	29	45	26	41	10	16	9	184	12	190
BAHL	25	42	23	39	13	24	6	73	9	92
Albaraka	40	31	40	31	20	14	0	124	0	100
HBL	8	12	6	8	3	5	52	147	33	167
AKBL	9	8	6	5	4	4	59	113	50	125
ABL	6	6	6	6	6	6	0	0	0	0
Total	18,443	18,483	18,015	18,040	8,472	8,146	2	127	2	118