



PMYBL Quarterly Review as of March 31, 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
Akhtiar Ahmed

imran.ahmad@sbp.org.pk
akhtiarahmed@sbp.org.pk

For feedback/queries:

smefd@sbp.org.pk

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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 March 31, 2017 stood at 78,939 showing growth of 6 percent over December 31, 2016. 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 21,734 as on March 31, 2017, while cumulative disbursements of Rs 18,039.5 million have been made to 18,015 beneficiaries' upto March 31, 2017. Disbursement of Rs 335 million was made during Jan-Mar, 2017 quarter under PMYBL registering a growth of 2 percent over December 31, 2016 period.

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 Jan-Mar, 2017, Executing Agencies (EAs) under PMYBL received 4,479 new applications registering a growth of 6 percent over Oct-Dec, 2016 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 293 percent during the quarter under review. With the addition of 4,479 new applications, cumulative applications received under PMYBL as of March 31, 2017 stood at 78,939. Of these 78,939 applications, 68,293 applications (87 percent) were received from male applicants and 10,646 (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	
	Mar, 2017	Dec, 2016	Mar, 2016	Number	%	Number	%
National Bank (NBP)	76,883	72,639	62,964	4,244	6	13,919	22
First Women Bank (FWBL)	583	562	510	21	4	73	14
Meezan Bank (MBL)	559	483	179	76	16	380	212
Summit Bank	275	264	19	11	4	256	1347
UBL	251	232	171	19	8	80	47
JS Bank	118	30	9	88	293	109	1211
Albaraka Bank	62	62	17	-	-	45	265
Bank Al Habib	58	54	20	4	7	38	190
Sindh Bank	44	39	22	5	13	22	100
HBL	35	35	28	-	-	7	25
Askari Bank (AKBL)	28	20	11	8	40	17	155
Bank Alfalah	24	22	-	2	9	-	-
ABL	12	12	12	-	-	-	-
Soneri Bank	3	3	2	-	-	1	50
Dubai Islamic Bank (DIBPL)	2	1	0	1	100	2	-
HABIBMETRO Bank	2	2	1	-	-	1	100
Total	78,939	74,460	63,965	4,479	6	14,974	23

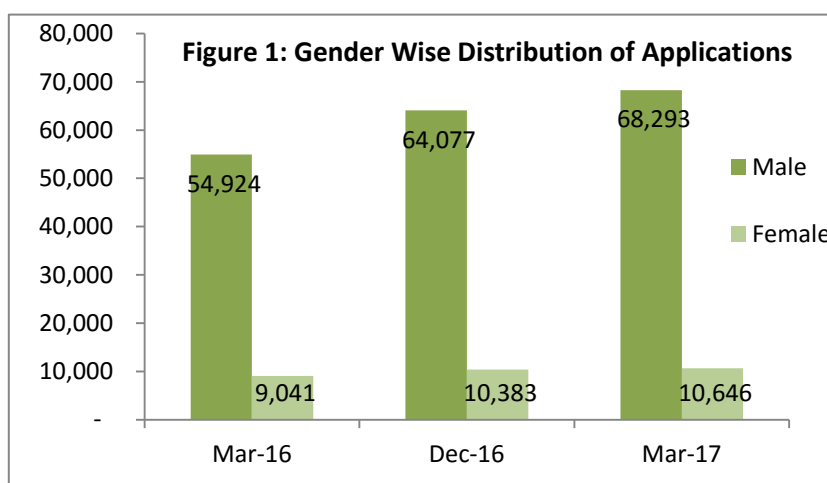
2.2 Applications Sanctioned under PMYBL

The sanctioned amount under PMYBL increased from Rs 21,132 million at the end of December, 2016 to Rs 21,663 million at the end of March, 2017 registering a growth of 3 percent.

Banks	March, 2017		December, 2016		March, 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	20,851	20,784.4	20,360	20,353.3	15,756	16,190.4	2	28	2	32
FWBL	218.0	246.1	207	237.3	173.00	202.9	4	21	5	26
Summit	209	206.5	195	187.5	14.00	20.1	10	927	7	1393
Meezan	274	192.1	216	150.1	63.00	48.3	28	298	27	335
UBL	49	58.8	43	53.3	19	24.2	10	143	14	158
Sindh	27	45.0	24	40.0	9	15.1	13	198	13	200
BAHL	23	39.5	20	35.7	8	14.6	11	171	15	188
Albaraka	43	36.4	42	35.8	5	5.9	2	513	2	760
JS Bank	15	24.1	6	11.4	1.00	2.0	111	1,105	150	1400
HBL	11.0	15.4	11	15.4	3.00	5.5	0	180	0	267
AKBL	7	7.1	6.0	5.2	5.0	4.5	38	58	17	40
ABL	6	5.6	6	5.6	6	5.6	-	-	-	-
DIBPL	1	2.0	1	1.7	-	-	18	-	-	-
Total	21,734	21,662.8	21,137	21,132.2	16,062	16,539.1	3	31	3	35

2.3 Gender Wise Status of Applications Received under PMYBL

During quarter under review, 4,216 applications were received from male and 263 applications from female applicants under the scheme. By the end of March, 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.

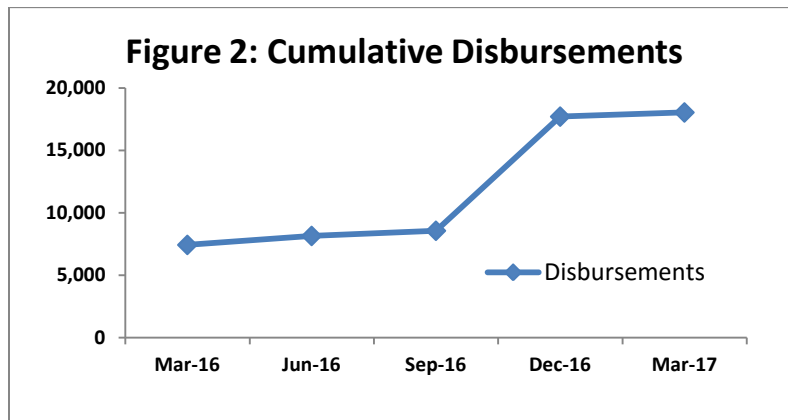
2.4 Position of Disbursements under PMYBL

Table 3 provides the details of loans disbursed by all the Executing Agencies under the scheme. A total disbursement of Rs 335 million was made to 325 borrowers during Jan-Mar 2017 quarter under PMYBL with major contribution from National Bank of Pakistan. A year-on-year growth of 143 percent was observed with respect to loans disbursed under the scheme with the total disbursed amount increasing from Rs 7,429.5 million (7,816 borrowers) at the end of March, 2016 to Rs 18,039.5 million (18,015 borrowers) at the end of March, 2017.

On quarter on quarter basis, a growth of 2 percent was observed with total disbursed amount increasing to Rs 18,039.5 million at the end of March, 2017 from Rs 17,705 million at the end of December 2016.

Table 3: Disbursements under PMYBL										
Banks	March, 2017		December, 2016		March, 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	17,252	17,284.32	17,016	17,039.44	7,604	7,195.44	1	140	1
Summit	197	193.57	180	169.73	10.00	13.67	14	1,316	9	1,870
FWBL	170.00	187.64	161	179.41	121.00	140.47	5	34	6	40
Meezan	239	176.86	198	148.37	43	30.44	19	481	21	456
UBL	35	42.90	33	41.20	9.00	11.70	4	267	6	289
Sindh	26	41.37	19	31.09	5	6.45	33	541	37	420
BAHL	23	39.48	20	35.68	8	14.58	11	171	15	188
Albaraka	40	30.74	40	30.74	3	1.5	0	1,950	0	1,233
JS	15	24.10	6	11.40	1	2.00	111	1,105	150	1,400
HBL	6	7.75	6	7.75	3	4.75	0	63	0	100
ABL	6	5.60	6	5.60	5.00	4.60	0	22	0	20
AKBL	6	5.17	5	4.52	4	3.9	14	33	20	50
Total	18,015	18,039.5	17,690	17,704.9	7,816	7,429.5	2	143	2	130

3. Quarterly Trend on Disbursements



4. Quarterly Trend on Sanctioned Amount

