



PMYBL Scheme Quarterly Review as of September 30, 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 September 30, 2018 stood at 101,352. 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 32,717 as on September 30, 2018, while cumulative disbursements of Rs 26,172 million had been made to 26,129 beneficiaries till September 30, 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' 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 July - Sep 2018, Executing Agencies (EAs) under PMYBL received 1,885 applications. The largest number of applications was received by JS Bank (1603) followed by NBP (208). With the addition of 1,885 applications, cumulative applications received under PMYBL as of September 30, 2018 stood at 101,352. Out of these 101,352 applications, 89,346 applications (88 percent) were received from male applicants and 12,006 (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	
	Sep, 2018	Jun, 2018	Sept, 2017	Number	%	Number	%
NBP	90,086	89,878	85,957	208	0%	4,129	5%
JS Bank	8,939	7,336	1,892	1,603	22%	7,047	372%
Meezan Bank	685	648	634	37	6%	51	8%
FWBL	633	625	595	8	1%	38	6%
Summit Bank	347	340	304	7	2%	43	14%
UBL	313	292	269	21	7%	44	16%
Bank Al Habib	80	79	69	1	1%	11	16%
Sindh Bank	68	68	58	-	0%	10	17%
Albaraka	62	62	62	-	0%	-	0%
Askari Bank	49	49	34	-	0%	15	44%
HBL	37	37	37	-	0%	-	0%
Bank Alfalah	33	33	31	-	0%	2	6%
ABL	13	13	12	-	0%	1	8%
Soneri Bank	3	3	3	-	0%	-	0%
Dubai Islamic Bank	2	2	2	-	0%	-	0%
HABIBMETRO Bank	2	2	2	-	0%	-	0%
Faysal Bank	-	-	-	-	-	-	-
MCB	-	-	-	-	-	-	-
Total	101,352	99,467	89,961	1,885	2%	11,391	13%

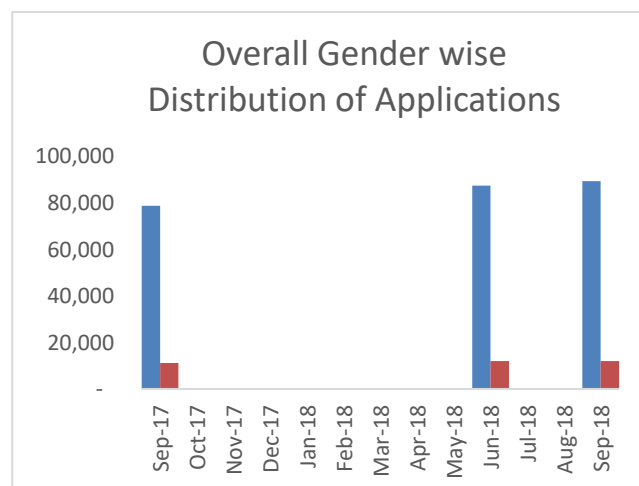
2.2 Applications Sanctioned under PMYBL

The sanctioned applications under PMYBL increased from 31,860 at the end of June, 2018 to 32,717 at the end of September, 2018. Similarly, the sanctioned amount under PMYBL increased from Rs 31,595 million at the end of June, 2018 to Rs 32,523 million at the end of September, 2018. When a comparison is drawn with the sanctioned amount of Rs 24,639 million as on September, 2017 it translates into a healthy YOY growth of 33%.

Table 2: Sanctioned Amount under PMYBL							Amount in Rs million			
Banks	Sep, 2018		Jun, 2018		Sep, 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	27,892	27,596.82	27,772	27,468.74	23,280	23,026.90	0.43%	20%	0%	20%
JS Bank	3,646	3,722.27	2,951	2,973.72	339	350.15	23.55%	976%	25%	963%
Summit Bank	327	361.48	320	352.40	248	268.42	2.19%	32%	3%	35%
FWBL	277	309.98	268	300.58	236	263.98	3.36%	17%	3%	17%
Meezan Bank	347	254.42	327	231.15	308	216.94	6.12%	13%	10%	17%
Sindh Bank	46	72.41	43	67.91	36	55.41	6.98%	28%	7%	31%
UBL	65	69.22	62	65.80	61	68.12	4.84%	7%	5%	2%
Bank Al Habib	32	51.89	32	51.89	27	44.59	0%	19%	0%	16%
Albaraka	43	36.36	43	36.36	43	36.36	0%	0%	0%	0%
HBL	13	19.40	13	19.40	13	19.40	0.00%	0%	0%	0%
Askari Bank	21	19.38	22	19.38	13	11.11	-5%	62%	0%	74%
ABL	7	7.60	7	7.60	6	5.60	0%	17%	0%	36%
Dubai Islamic	1	2.00	-	-	1	2.00	-	-	-	-
Total	32,717	32,523	31,860	31,595	24,611	24,369	3.0%	33%	3%	33%

2.3 Gender-wise Status of Applications Received under PMYBL

During quarter under review, 1,833 applications were received from male and 52 applications from female applicants under the scheme. By the end of September, 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 1,040 million was made to 1,001 borrowers during July - Sep 2018 quarter under PMYBL with major contribution from JS Bank. A year-on-year growth of 35 percent was observed with respect to loans disbursed under the scheme with the total disbursed amount increasing from Rs 19,347 million (19,290 borrowers) at the end of September, 2017 to Rs 26,172 million (26,129 borrowers) at the end of September, 2018.

Table 3: Disbursements under PMYBL							Amount in Rs million			
Banks	Sep, 2018		Jun, 2018		Sep, 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	21,415	21,457.22	21,153	21,185.43	18,074	18,134.45	1%	18%	1%	18%
JS Bank	3,644	3,625.69	2,949	2,910.89	339	344.85	24%	975%	25%	951%
Summit Bank	312	339.68	304	328.56	236	248.61	3%	32%	3%	37%
FWBL	233	254.14	224	243.64	188	204.59	4%	24%	4%	24%
Meezan Bank	310	238.77	291	216.37	276	205.34	7%	12%	10%	16%
Sindh Bank	44	68.21	41	63.71	34	51.21	7%	29%	7%	33%
UBL	62	67.72	57	62.30	51	56.40	9%	22%	9%	20%
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	22	19.05	22	19.05	11	9.28	0%	100%	0%	105%
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%
Total	26,129	26,172	25,128	25,132	19,290	19,347	4%	35%	4%	35%