

PMYBL Quarterly Review

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Infrastructure, Housing & SME Finance Department

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Executive Summary

Under PMYBL¹ Scheme, loans up to Rs. 2,000,000 are being provided through the banking system at service charges of 8 percent per annum for borrowers, while the rate of return for banks working as Executing Agencies (EAs) for PMYBL is one year KIBOR+500 bps with KIBOR to be reset every year. Portfolio risk coverage up to 5 percent is also available under the Scheme for EAs.

PMYBL Scheme is gradually picking up pace as many private banks are also gearing up their systems including finalization of their PMYBL products, and completion of other necessary requirements such as putting in place necessary MIS, HR and their training for effective servicing of their PMYBL clients. During Jan-Mar 2015 Quarter, three more banks i.e.; Habib Bank Limited, Habib Metropolitan Bank and Sindh Bank also started financing under the Scheme. PMYBL data also indicates towards a very slow progress of PMYBL considering the insignificant number of applications received under the Scheme. As of 30th June, 2015, 62,909 application forms had been received from potential borrowers which were just 03 percent higher than the applications received as of 31st March, 2015. Out of 62,909 applications, 54,013 applications were received from male applicants while 8,896 applications were received from female borrowers. As of 30th June, 2015, an aggregate amount of Rs 16,075 million had been sanctioned as of June 30th, 2015. However, in the quarter under review, NBP sanctioned Rs 122 million while FWBL sanctioned Rs 1.49 million only. Rest of the Rs. 11 million is sanctioned by newly added banks, out of them Sindh Bank has the largest share of Rs. 5.30 million.

As far as disbursements are concerned, total disbursements by banks were Rs 5,100 million against 6,169 loans, which was 19 percent higher than the previous quarter. Out of Rs 5,100 million, Rs 4,977 million was disbursed by NBP while FWBL did not disburse any new loan. NBP disbursed Rs 824.36 million during the quarter under review which was 20 percent higher than the disbursements of previous quarter while Al Baraka Bank disbursed Rs. 0.42 million rupees, BAML disbursed Rs. 1.8 million and Habib Bank Limited disbursed Rs. 2.75 million only during the quarter under review

¹ PMYBL: Prime Minister Youth Business Loans

Status of Prime Minister's Youth Business Loans

Prime Minister Youth Business Loans (PMYBL) Scheme is gradually picking up pace as many private banks are also gearing up their systems including finalization of their PMYBL products and completion of other necessary requirements such as putting in place necessary MIS, HR and their training for effective servicing of their PMYBL clients. During June 2015 Quarter, few more banks launched financing under the Scheme. Al Baraka Bank Limited, Bank Al Habib Limited, Soneri Bank Limited and Summit Bank Limited have launched scheme during quarter April-June, 2015. Eight (08) banks in total have launched the scheme so far.

PMYBL data also indicates towards a very slow progress of PMYBL considering the insignificant number of applications received under the Scheme. As of 30th June, 2015, 62,909 application forms had been received from potential borrowers which were just 03 percent higher than the applications received as of 31st March, 2015. Out of 62,909 applications, 54,013 applications were received from male applicants while 8,896 applications were received from female borrowers. Out of these 62,909 applications bank wise distribution of reception of applications is as follows:

Table No 1: No. of applications as received in different banks	
Banks	No. of Applications
NBP	62,383
FWBL	460
Sub-Total (NBP+FWBL)	62,843
Al Baraka	2
BAHL	5
HBL	22
Sindh	37
HMBL	0
Summit	0
Sub-Total (Pvt. Bank)	66
Grand Total	62,909

However, during the quarter under review, no application was received in Habib Metropolitan Bank and Summit Bank Limited. As far as rejection of the application forms is concerned, it seems that potential borrowers have developed an understanding of the application procedures very well. Banks may also be

guiding their potential borrowers in effective manner. This is clearly indicated through the numbers of rejected application forms, which were 34 only.

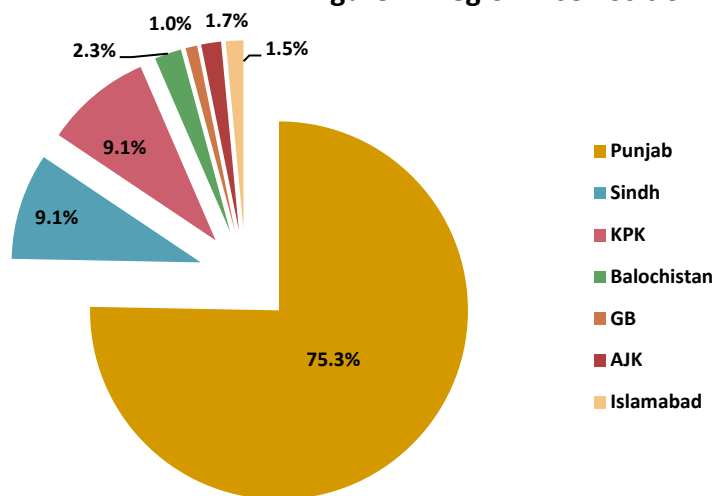
Sanctioned Applications:

Since launch of the Scheme, an aggregate amount of Rs 16,075 million had been sanctioned as of June 30th, 2015. However, in the quarter under review, NBP sanctioned Rs 122 million while FWBL sanctioned Rs 1.49 million only. Rest of the Rs. 11 million is sanctioned by newly added banks, out of them Sindh Bank has the largest share of Rs. 5.30 million (Table No 2). Collectively, those sanctions were 0.8 percent higher in terms of sanctioned amount and 0.9 percent higher in terms of number of applications than the position as of 31st March, 2015. Habib Metropolitan Bank Limited and Summit Bank Limited did not sanction any amount during the quarter under review. *(Table No 2)*

Table No 2: Details of Sanctioned Applications						
Banks	Mar-15		Jun-15		Number of cases	Amount Sanctioned
	Number	Amount	Number	Amount		
NBP	15,332	15,754.15	15,472	15,876.04	0.90%	0.80%
FWBL	155	186	155	187.49	-	0.80%
Sub-Total (NBP+FWBL)	15,487	15,940	15,627	16,064	0.90%	0.80%
Al Baraka	-	-	1	0.7	-	-
BAHL	-	-	1	1.8	-	-
HBL	-	-	2	3.5	-	-
Sindh	-	-	3	5.3	-	-
HMBL	-	-	-	-	-	-
Summit	-	-	-	-	-	-
Sub-Total (Pvt. Bank)	-	-	7	11	-	-
Grand Total	15,487	15,940	15,634	16,075	0.90%	0.80%

Region wise Position: As of 30th June, 2015, a total number of 62,909 applications was received. Out of which 75.3 percent loan applications were received from Punjab, 2 percent from AJK² and Baluchistan each, 1 percent from GB³ and Islamabad (Capital Territory) each while 9 percent of applications were received from KPK⁴ and Sindh each. **(Figure A)**. As compared to previous quarter, in the quarter under review, share of applications received showed same pattern.

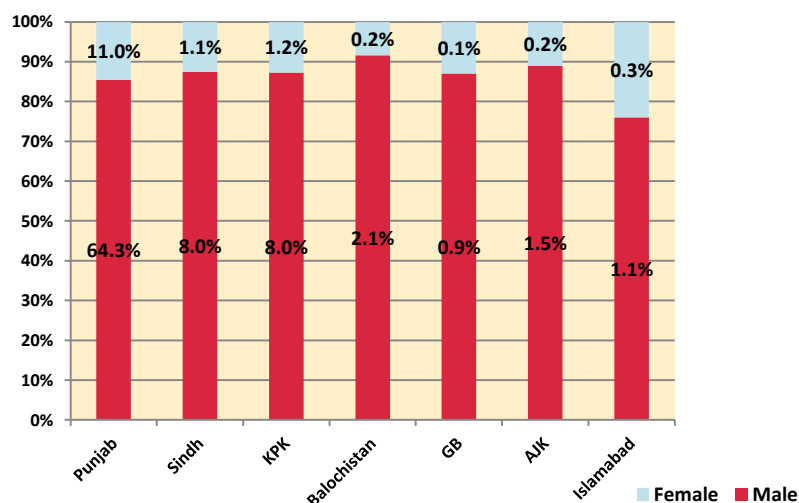
Figure A: Regionwise Position



Regional Gender-wise Position:

Figure B shows the gender-wise position in different regions. The maximum participation of female applicants was in Punjab region with 11 percent, while the lowest female participation was in Gilgit-Baltistan with share of 0.1 percent in total applications received in GB. In AJK and Balochistan, the percentage of female participants was 0.2 percent while KPK and Sindh regions both stood at 1.2 and 1.1 percent respectively.

Figure B: Regional Genderwise position



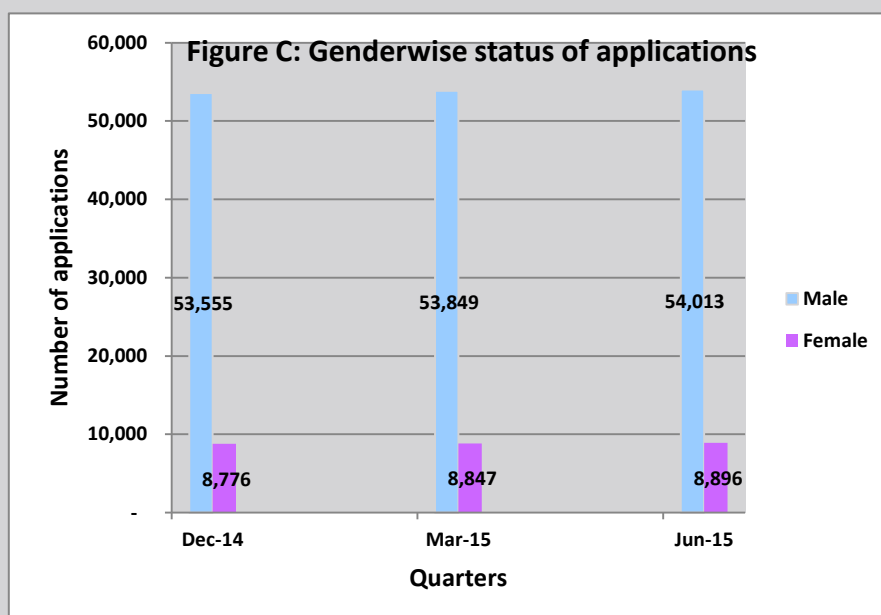
² AJK: Azad Jammu & Kashmir

³ GB: Gilgit-Baltistan

⁴ KPK: Khyber Pakhtunkhwa

Gender-wise status of applications:

Out of total 62,909 completed applications received in all banks were submitted by male and female (Figure B). 54,013 applications were received from male applicants while 14% of applications, 8,896 in number were received from female applicants. The ratio of women applicants is quite low in view of the fact that under PMYBL, 50 percent quota is allocated for women. Hence, banks may direct their sales teams to target unemployed women entrepreneurs with technical degrees to avail financing under this Scheme. When compared to previous quarter, number of female applicants increased by 0.5 percent merely while, the share of male applicants witnessed an increase of 0.3 percent only during the quarter under review.



Details of Disbursements:

As of June 30th, 2015, PMYBL Scheme was being implemented by eight banks i.e. NBP, FWBL, HBL, Sindh Bank, HMBL, Summit Bank and Soneri Bank Limited. Considering, later three banks have recently launched PMYBL Scheme; they could disburse any amount. Total disbursements by banks were Rs 5,100 million against 6,169 loans, which was 19 percent higher than the previous quarter. Out of Rs 5,100 million, Rs 4,977 million was disbursed by NBP while FWBL did not disburse any new loan. NBP disbursed Rs 824.36 million during the quarter under review which was 20 percent higher than the disbursements of previous quarter while Al Baraka Bank disbursed Rs. 0.42 million rupees, BAML disbursed Rs. 1.8 million and Habib Bank Limited disbursed Rs. 2.75 million only during the quarter under review. **(Table No 3)**

Table No 3: Details of Disbursements					Amt in Million rupees	
Banks	15-Mar		15-Jun		Number of cases	Amount Disbursed
	Number	Amount	Number	Amount		
NBP	5,811	4,152.57	6,063	4,976.93	0.04	19.90%
FWBL	102	118.43	102	118.43	-	-
Sub-Total (NBP+FWBL)	5,913	4,272	6,165	5,095	0.04	19.90%
Al Baraka	-	-	1	0.42		
BAHL	-	-	1	1.8		
HBL	-	-	2	2.75		
Sindh	-	-	-	-		
HMBL	-	-	-	-		
Summit	-	-	-	-		
Sub-Total (Pvt. Bank)	-	-	4	4.97	-	-
Grand Total	5,913	4,272	6,169	5,100	0.04	19.90%