



PMYBL Quarterly Review as of December 31, 2016

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Infrastructure, Housing & SME Finance Department

Table of Contents

Table of Figures.....	3
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 PBYBL.....	4
2.4 Region Wise Distribution of Received Applications under PMYBL	5
2.5 Gender Wise Regional Position of PMYBL Applications.....	6
2.6 Position of Disbursements under PMYBL	6
2.7 Sector Wise Distribution of Disbursed Amount.....	7
3. Quarterly Trend on Disbursements	8
4. Quarterly Trend on Sanctioned Amount.....	9

Table of Figures

Figure 1: Gender Wise Distribution of Applications	4
Figure 2: Region Wise Distribution of Applications	5
Figure 3: Region Wise Distribution of Disbursements	5
Figure 4: Gender Wise Regional Position under PMYBL	6
Figure 5: Disbursements	9
Figure 6: Sanctioned Amount	9

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 Scheme in 2013 with the aim of uplifting the youth and providing them 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, 2016 stood at 74,461 showing growth of 2 percent over September 30, 2016. Of the total applications received so far under the scheme, 86 percent were from male applicants while the share of female applicants was 14 percent. Moreover, since launch of the scheme, number of sanctioned applications stood at 21,137 as on December 31, 2016, while cumulative disbursements of Rs 17,706 million have been made to 17,691 beneficiaries' upto December 31, 2016. Punjab has the largest share with respect to the number of applications received, sanctioned and disbursed under the Scheme followed by KPK and Sindh. Disbursement of Rs 9,145 million was made during Oct- Dec, 2016 quarter under PMYBL registering a growth of 107 percent over September 30, 2016 period; with major contribution from NBP.

National Bank of Pakistan, First Women Bank, Summit Bank and Meezan Bank were the top four performers with respect to loan disbursement under the scheme.

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 these economic segments.

The Government of Pakistan introduced Prime Minister's Youth Business Loans (PMYBL) Scheme in 2013 for providing youth, the opportunities of financial independence 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. 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, 2016, Executing Agencies (EAs) under PMYBL received 1,500 new applications registering a growth of 2 percent over September 30, 2016. The largest number of applications was received by NBP followed by Meezan Bank that showed a significant improvement as the number of applications received by Meezan Bank recorded a growth of 40 percent during the quarter under review. With the addition of 1,500 new applications during the quarter under review, cumulative applications received under PMYBL as of December 31, 2016 stood at 74,461. Of these 74,461 applications, 64,078 applications (86 percent) were received from male applicants and 10,383 (14 percent) applications were received from female applicants. Table 1 provides a detailed bank-wise position of applications received under PMYBL.

Table No 1: Details of Received Applications							
Banks	No of Applications Received			Q-o-Q Change		Y-o-Y Change	
	Dec, 2016	Sept, 2016	Dec, 2015	Number	%	Number	%
NBP	72,639	71,374	62,958	1,265	2	9,681	15
FWBL	562	551	462	11	2	100	22
MEEZAN	483	345	80	138	40	403	504
SUMMIT	264	231	7	33	14	257	3671
UBL	232	221	109	11	5	123	113
ALBARAKA	63	58	9	5	9	54	600
BANK AL HABIB	54	50	5	4	8	49	980
SINDH	39	31	21	8	26	18	86
HBL	35	35	28	-	0	7	25
JS BANK	30	14	-	16	114	30	-
BANK ALFALAH	22	18	0	4	22	22	-
ASKARI	20	16	5	4	25	15	300
ABL	12	12	6	-	0	6	100
SONERI	3	2	-	1	50	3	-
HABIBMETRO	2	2.0	1	-	0	1	100
DUBAI ISLAMIC	1	1	0	-	0	1	-
FAYSAL	-	-	-	-	-	-	-
MCB	-	-	-	-	-	-	-
Total	74,461	72,961	63,691	1,500	2	10,770	17

2.2 Applications Sanctioned under PMYBL

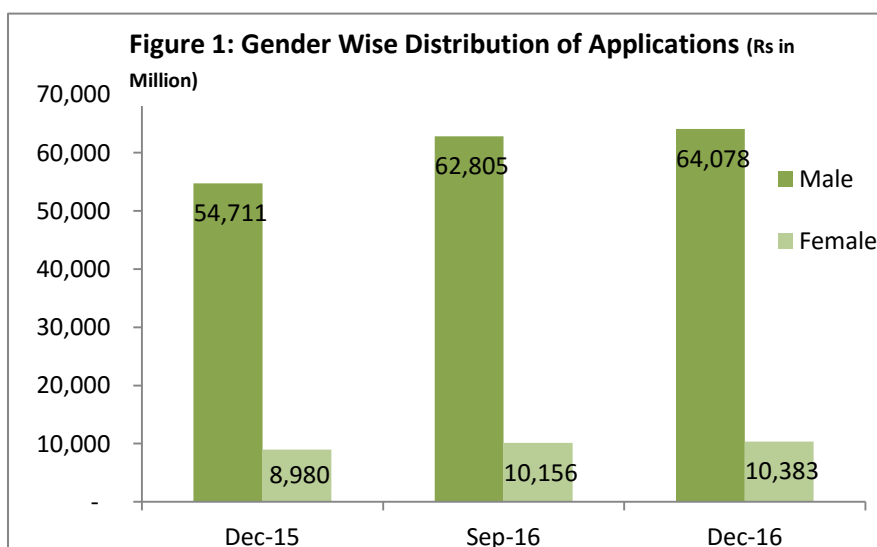
The sanctioned amount under PMYBL increased from Rs 18,315 million at the end of September, 2016 to Rs 21,132 million at the end of December, 2016 registering a growth of 15 percent. National Bank of Pakistan sanctioned loans worth Rs 2,747 million during the quarter under review. Centralization of the entire process starting from application log-in to credit sanction helped NBP to bring efficiency in its loan processing time which translated into higher sanctioning of loans during the quarter under review. Summit Bank, maintaining its progress under the scheme, was second largest bank in terms of sanctioned loans. The bank sanctioned loans of Rs 23.64 million during the quarter. Meezan Bank sanctioned loans of Rs 14.42 million, occupying the third place after NBP and Summit Bank.

Allied Bank Limited, Askari Bank Limited, Dubai Islamic Bank Limited did not show any progress with respect to sanctioning of new loans during the quarter under review. Bank Alfalah, Faysal Bank, Habib Metropolitan Bank, MCB and Soneri Bank continued to show a dismal performance as no loan has been sanctioned by these banks under the scheme despite added emphasis on these banks by SBP to extend financing under PMYBL.

Table 2: Sanctioned Amount under PMYBL (Amount in Million Rs)										
Banks	December, 2016		September, 2016		December, 2015		% 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	20,360	20353.3	17,473	17,606.1	15,575	15,975.3	16	27	17	31
FWBL	207	237.3	198	230.5	158	189.7	3	25	5	31
Summit	195	187.5	177	163.9	3	3.2	14	5,713	10	6,400
Meezan	216	150.1	154	135.7	25	17.1	11	776	40	764
UBL	43	53.3	40	49.9	10	12.2	7	337	8	330
Sindh	24	40.0	17	30.4	4	7.3	31	448	41	500
Albaraka	42	35.8	42	35.6	2	1.3	1	2,587	0	2,000
BAHL	20	35.7	17	31.7	3	5.6	13	539	18	567
HBL	11	15.4	11	15.4	3	5.5	0	180	0	267
JS Bank	6	11.4	2	3.4	-	0.0	235	-	200	-
ABL	6	5.6	6	5.6	2	2.0	0	180	0	200
Askari	6	5.2	6	5.2	3	3.2	0	59	0	100
DIBPL	1	1.7	1	1.7	-	-	0	-	0	-
BAFL	-	-	-	-	-	-	-	-	-	-
Faysal	-	-	-	-	-	-	-	-	-	-
MCB	-	-	-	-	-	-	-	-	-	-
Soneri	-	-	-	-	-	-	-	-	-	-
HMBL	-	-	-	-	-	-	-	-	-	-
Total	21,137	21,132.2	18,144	18,315.1	15,788	16,222.6	15	30	16	34

2.3 Gender Wise Status of Applications Received under PBYBL

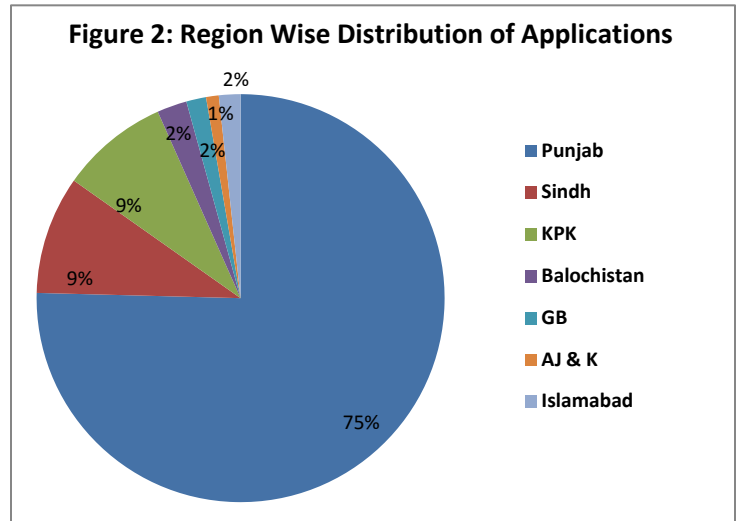
During quarter under review, 1,273 applications were received from male and 227 applications from female applicants under the scheme. By the end of Oct-Dec, 2016 quarter, male applicants constituted 86 percent of the total



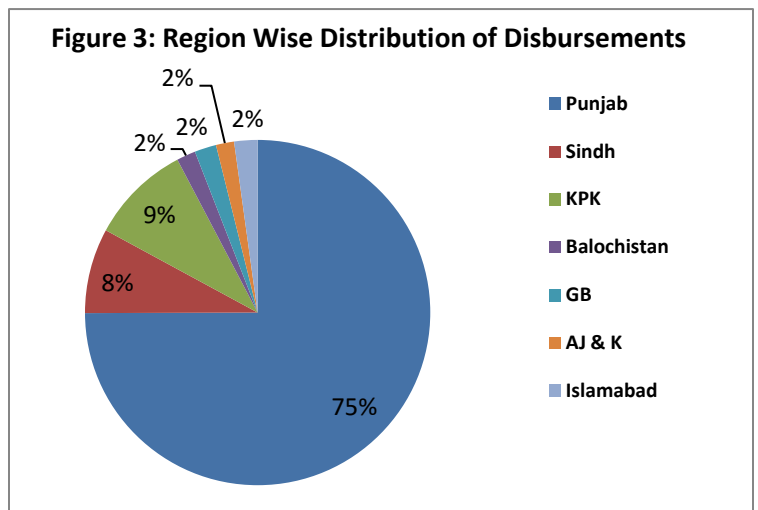
applications received so far under PMYBL. The share of female applicants under the scheme was 14 percent which is significantly lower when compared to 50% quota reserved for women under the scheme.

2.4 Region Wise Distribution of Received Applications under PMYBL

Analysis from the viewpoint of regional distribution of received applications as of December 31, 2016 reflects that 55,838 applications or 75% of total applications were received from Punjab. Sindh and KPK each had a share of 9 percent respectively in the total applications received under the scheme. Of the total applications received under PMYBL, 2 percent were from each of Balochistan, Islamabad and Gilgit Baltistan and 1 percent from AJ&K.

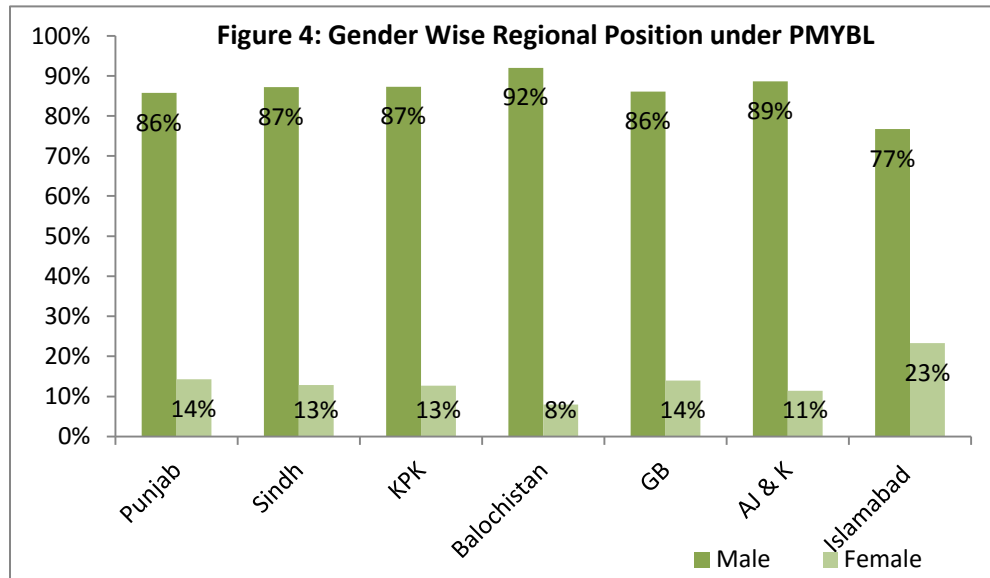


Almost a similar trend prevails as far as disbursement of loans under the scheme is concerned. Punjab has the share of around 75 percent in the total loans disbursed under PMYBL followed by KPK and Sindh with a share of 9 percent and 8 percent respectively. While the share of both KPK and Sindh stands at 9 percent in the total applications received, however, KPK takes lead over Sindh with respect to the total loans disbursed under the scheme. The share of each of Islamabad, Gilgit-Baltistan, AJK and Balochistan in total disbursements was 2 percent respectively as of December 31, 2016.



2.5 Gender Wise Regional Position of PMYBL Applications

Gender wise distribution of total applications received so far under the scheme reflects share of male and female applicants as 86 percent and 14 percent respectively. Further region wise break up of male



and female applicants (Figure 4) shows that the share of female applicants in total applicants was comparatively higher in Islamabad at 23 percent and lowest in

Balochistan at 8 percent.

2.6 Position of Disbursements under PMYBL

Table 3 provides the details of loans disbursed by all the Executing Agencies under the scheme. During Oct-Dec, 2016 quarter, remarkable growth was recorded in terms of disbursed loans under the scheme. A total disbursement of Rs 9,145 million was made to 8,765 borrowers during Oct- Dec- 2016 quarter under PMYBL with major contribution from National Bank of Pakistan. NBP disbursed Rs 8, 992 million to 8,603 borrowers during the quarter registering a Q-o-Q growth of 112 percent. As mentioned above, NBP improved the efficiency of its credit approval and disbursement cycle, mainly through the centralization of the entire loan process. The results of this were observed in the form of improved credit sanctioning and loan disbursements. Meezan Bank disbursed Rs 58 million to 89 borrowers followed by Summit Bank that disbursed Rs 55 million to 38 borrowers during the quarter. Although, First Women Bank Limited occupies the second position with respect to total amount disbursed under the scheme, however, Meezan Bank and Summit Bank are taking over First Women Bank in terms of incremental loan sanctions and disbursements. Owing to the improved performance of NBP, a year-on-year growth of 176 percent was observed with respect to loans disbursed under the scheme with the

total disbursed amount increasing from Rs 6,409 million (6,921 borrowers) at the end of December, 2015 to Rs 17,706 million (17,691 borrowers) at the end of December, 2016.

With the addition of 8,765 fresh borrowers during the quarter under review, total number of beneficiaries under the scheme increased to 17,961 as on December 31, 2016 from 8,926 on September 30, 2016 showing an increase of 98% during this period.

Table 3: Disbursements under PMYBL (Amount in Million Rs)										
Banks	December, 2016		September, 2016		December, 2015		% 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	17,016	17,039	8,413	8,048	6,780	6,251	112	173	102	151
FWBL	161	179.4	151	170.5	105	122.7	5	46	7	53
Summit	180	169.7	142	114.3	3	3.2	49	5262	27	5900
Meezan	198	148.4	109	90.3	20	13.7	64	986	82	890
UBL	33	41.2	29	35.5	1	2.0	16	1960	14	3200
BAHL	20	35.7	17	31.7	3	5.6	13	539	18	567
Albaraka	41	31.9	33	26.6	2	0.9	20	3347	24	1950
Sindh	19	31.1	14	23.9	2	2.8	30	1030	36	850
JS Bank	6	11.4	2	3.4	-	0.0	235	-	200	-
HBL	6	7.8	5	7.1	3	4.8	10	63	20	100
ABL	6	5.6	6	5.6	2	2.0	0	180	0	200
AKBL	5	4.5	5	4.5	-	-	0	-	0	-
BAFL	-	-	-	-	-	-	-	-	-	-
DIBPL	-	-	-	-	-	-	-	-	-	-
FBL	-	-	-	-	-	-	-	-	-	-
MCB	-	-	-	-	-	-	-	-	-	-
Soneri	-	-	-	-	-	-	-	-	-	-
HMBL	-	-	-	-	-	-	-	-	-	-
Total	17,691	17,706.1	8,926	8,561.2	6,921	6,408.7	107	176	98	156

2.7 Sector Wise Distribution of Disbursed Amount

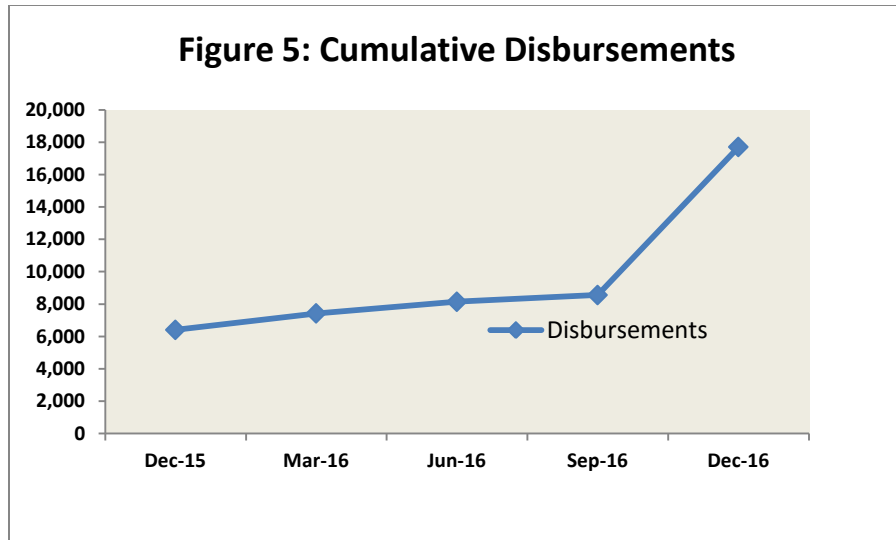
Table 4 provides sector wise distribution of loans disbursed so far under PMYBL Scheme. The largest number and amount of loans were disbursed to dairy farming. The share of this sector in the total disbursed amount was significantly high at 40 percent. General Store segment and services sector share in total disbursements under the scheme was around 11% and 8% respectively. Remaining 41 percent was distributed among other sectors viz livestock & fish farming, FMCG distribution, poultry, wholesale

& retail trade, chemicals & pharmaceuticals, boutiques, automobile & auto parts, footwear, leather, furniture, etc as detailed in Table 4.

Table 4: Sector wise position of Disbursements under PMYBL (Amount in Million Rs)			
Sectors	No of Borrowers	Amount Disbursed	Sector Wise Disbursement as % of Total Disbursement
Dairy Farming	6,839	7,151.2	40.4
General Store	2,278	1,928.6	10.9
Services (Education, Tailoring, Beauty Parlor, Real Estate, advertising, day care, event management, printing and designing)	1,296	1,399.2	7.9
Livestock and Fish farming	1132	1,075.4	6.1
FMCG Distribution	852	940.7	5.3
Poultry	719	711.1	4.0
Wholesale and Retail Trade	650	636.9	3.6
Chemicals & Pharmaceuticals	537	597.9	3.4
Boutique/Garments/Handicrafts	594	565.7	3.2
Automobile and Auto parts	551	450.4	2.5
Footwear, Leather and Furniture	281	287.3	1.6
Agriculture and Forestry	93	110.1	0.6
Construction & Manufacturing	83	97.40	0.6
Other Miscellaneous Sectors	1,786	1,754.1	9.9
Total	17,691	17,706.0	100.00

3. Quarterly Trend on Disbursements

Table No 5: Quarterly Trend on Disbursements (Amount in Million Rs.)		
Period	Disbursements	Q-o-Q Change
Oct-Dec-15	6,409	17%
Jan-Mar-16	7,429	16%
Apr-Jun-16	8,145	10%
Jul-Sep-16	8,561	5%
Oct-Dec-16	17,706	107%



4. Quarterly Trend on Sanctioned Amount

Table No 6: Quarterly Trend on Sanctions (Amount in Million Rs.)		
Period	Sanctioned Amount	Q-o-Q Change
Oct-Dec-15	16,221	1%
Jan-Mar-16	16,539	2%
Apr-Jun-16	17,219	4%
Jul-Sep-16	18,315	6%
Oct-Dec-16	21,132	15%

