



PMYBL Scheme Quarterly Review as of June 30, 2018

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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	5

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, 2018 stood at 99,467 showing growth of 3 percent over March 31, 2018. 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 31,860 as on June 30, 2018, while cumulative disbursements of Rs 25,132 million had been made to 25,128 beneficiaries till June 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 Apr-Jun 2018, Executing Agencies (EAs) under PMYBL received 2,595 applications registering a growth of 3 percent over the position as on March 31, 2018. The largest number of applications was received by JS Bank followed by NBP. With the addition of 2,595 applications, cumulative applications received under PMYBL as of June 30, 2018 stood at 99,467. Out of these 99,467 applications, 87,513 applications (88 percent) were received from male applicants and 11,954 (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	
	Jun, 2018	Mar, 2018	Jun, 2017	Number	%	Number	%
NBP	89,878	88,924	78463	954	1	11,415	15
JS Bank	7,336	5,726	489	1,610	28	6,847	1,400
Meezan Bank	648	648	603	-	0	45	7
FWBL	625	613	586	12	2	39	7
Summit Bank	340	332	292	8	2	48	16
UBL	292	285	262	7	2	30	11
Bank Al Habib	79.0	78	64	1	1	15	23
Sindh Bank	68	67	54	1	1	14	26
Albaraka	62	62	62	-	0	-	0
Askari Bank	49.0	47	34	2	4	15	44
HLB	37	37	37	-	0	-	0
Bank Alfalah	33	33	26	-	0	7	27
ABL	13	13.0	12	-	0	1	8
Soneri Bank	3	3	3	-	0	-	0
Dubai Islamic Bank	2	2	2	-	0	-	0
Habib Metropolitan Bank	2	2	2	-	0	-	0
Total	99,467	96,872	80,991	2,595	3	18,476	23%

2.2 Applications Sanctioned under PMYBL

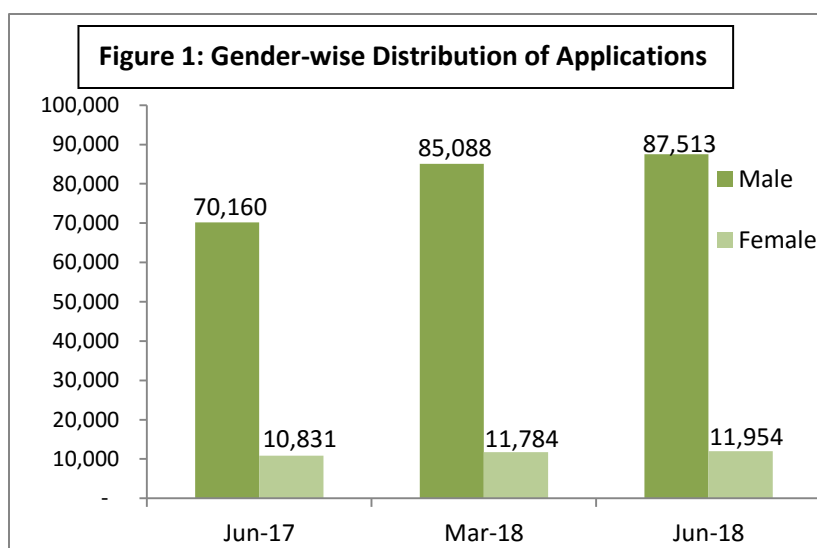
The sanctioned applications under PMYBL increased from 30,133 at the end of March, 2018 to 31,860 at the end of June, 2018. Similarly, the sanctioned amount under PMYBL increased from Rs 29,816 million at the end of March, 2018 to Rs 31,595 million at the end of June, 2018 registering a growth of 6 percent.

Table 2: Sanctioned Amount under PMYBL							Amount in Rs million			
Banks	Jun, 2018		Mar, 2018		Jun, 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	27,772	27,468.74	27,029	26,687.37	22,250	22,029.55	2.75	25	3	25
JS Bank	2,951	2,973.72	2,000	2,014.01	77	85.15	47.55	3,732	48	3,392
Summit Bank	320	352.40	309	339.41	234	249.09	3.56	37	4	41
FWBL	268	300.58	256	285.33	227	255.78	4.69	18	5	18
Meezan Bank	327	231.15	327	231.15	292	205.24	0.00	12	0	13
Sindh Bank	43	67.91	40	62.91	31	48.51	7.50	39	8	40
UBL	62	65.80	56	62.05	57	64.24	10.71	9	6	2
Bank Al Habib	32	51.89	32	51.89	25	41.78	0	28	0	24
Albaraka	43	36.36	43	36.36	43	36.36	0	0	0	0
HLB	13	19.40	13	19.40	13	19.40	0	0	0	0
Askari Bank	22	19.38	20	16.49	9	8.43	10	144	18	130
ABL	7	7.60	7	7.60	6	5.60	0	17	0	36
Dubai Islamic Bank*	-	-	1	2.00	1	2.00	-100	-100	-100	-100
Total	31,860	31,594.93	30,133	29,815.97	23,265	23,051.13	5.73	37	6	37

*One application sanctioned earlier has now been withdrawn

2.3 Gender-wise Status of Applications Received under PBYBL

During quarter under review, 2,425 applications were received from male and 170 applications from female applicants under the scheme. By the end of June, 2018 quarter, male applicants constituted 88 percent of the total applications received so far under PMYBL.



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 1,757 million was made to 1,744 borrowers during Apr-Jun 2018 quarter under PMYBL with major contribution from JS Bank. A year-on-year growth of 36 percent was observed with respect to loans disbursed under the scheme with the total disbursed amount increasing from Rs 18,482.79 million (18,443 borrowers) at the end of June, 2017 to Rs 25,132 million (25,128 borrowers) at the end of June, 2018.

On quarter-on-quarter basis, a growth of 8 percent was observed with total disbursed amount increasing to Rs 25,132 million at the end of June, 2018 from Rs 23,375 million at the end of March, 2018.

Table 3: Disbursements under PMYBL							Amount in Rs million			
Banks	Jun, 2018		Mar, 2018		Jun, 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	21,153	21,185.43	20400	20,415.37	17546	17,582.66	4	21	4	20
JS Bank	2,949	2,910.89	1,998	1,972.09	77	85.15	48	3,730	48	3,319
Summit Bank	304	328.56	291	312.50	223	233.10	4	36	5	41
FWBL	224	243.64	212	230.19	183	201.29	6	22	6	21
Meezan Bank	291	216.37	291	216.37	255	189.46	0	14	0	14
Sindh Bank	41	63.71	36	55.21	29	45.17	14	41	15	41
UBL	57	62.30	51	56.75	42	47.86	12	36	10	30
Bank Al Habib	32	51.89	32	51.89	25	41.78	0	2	0	24
Albaraka	40	30.74	40	30.74	40	30.74	0	0	0	0
Askari Bank	22	19.05	18	14.58	9	8.23	22	144	31	131
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	25,128	25,131.94	23,384	23,375.04	18,443	18,482.79	7	36	8	36