



PMYBL Quarterly Review as of March 31, 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 March 31, 2018 stood at 96,872 showing growth of 4 percent over December 31, 2017. Of the total applications received so far under the scheme, 88 percent were from male applicants. Moreover, since the launch of the scheme, number of sanctioned applications stood at 30,133 as on March 31, 2018, while cumulative disbursements of Rs 23,375 million had been made to 23,384 beneficiaries upto March 31, 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 Jan-Mar 2018, Executing Agencies (EAs) under PMYBL received 4,061 applications registering a growth of 4 percent over December 31, 2017. The largest number of applications was received by JS Bank followed by NBP. With the addition of 4,061 applications, cumulative applications received under PMYBL as of March 31, 2018 stood at 96,872. Out of these 96,872 applications, 85,088 applications (88 percent) were received from male applicants and 11,784 (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	
	Mar, 2018	Dec, 2017	Mar, 2017	Number	%	Number	%
NBP	88,924	87,482	76,883	1,442	2	12,041	16
JS Bank	5,726	3,155	118	2,571	81	5,608	4,753
Meezan Bank	648	649	559	(1)*	-0.15	89	16
FWBL	613	604	583	9	1	30	5
Summit Bank	332	321	275	11	3	57	21
UBL	285	276	251	9	3	34	14
Bank Al Habib	78	70	58	8	11	20	34
Sindh Bank	67	63	44	4	6	23	52
Albaraka	62	62	62	-	0	-	0
Askari Bank	47	40	28	7	18	19	68
HBL	37	37	35	-	0	2	6
Bank Alfalah	33	33	24	-	0	9	38
ABL	13	12	12	1	8	1	8
Soneri Bank	3	3	3	-	0	-	0
Dubai Islamic Bank	2	2	2	-	0	-	0
Habib Metro Bank	2	2	2	-	0	-	0
Total	96,872	92,811	78,939	4,061	4	17,933	23

*One account was earlier reported twice by the bank and has now been rectified.

2.2 Applications Sanctioned under PMYBL

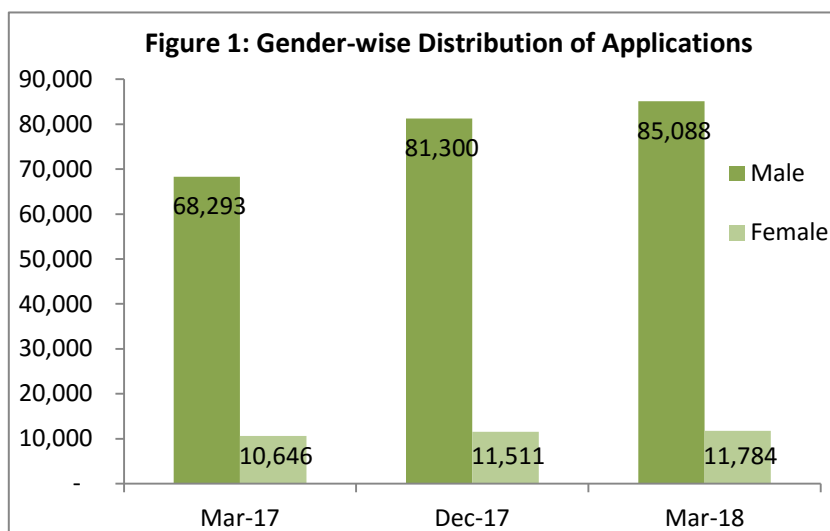
The sanctioned applications under PMYBL increased from 27,421 at the end of December, 2017 to 30,133 at the end of March, 2018. Similarly, the sanctioned amount under PMYBL increased from Rs 27,066.46 million at the end of December, 2017 to Rs 29,816 million at the end of March, 2018 registering a growth of 10 percent.

Banks	Amount in Rs million									
	Mar, 2018		Dec, 2017		Mar, 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	27,029	26,687.37	25,243	24,887.72	20,851	20,784.36	7.08	30	7	28
JS Bank	2,000	2,014.01	1,133	1,141.01	15	24.10	76.52	13,233	77	8,257
Meezan Bank	327	231.15	328	231.85	274	192.08	-0.30*	19	-0.3*	20
Summit Bank	309	339.41	277	298.86	209	206.45	11.55	48	14	64
FWBL	256	285.33	245	272.53	218	246.08	4.49	17	5	16
UBL	56	62.05	52	57.25	49	58.78	7.69	14	8	6
Albaraka	43	36.36	43	36.36	43	36.36	0	0	0	0
Sindh Bank	40	62.91	36	55.41	27	44.97	11.11	48	14	40
Bank Al Habib	32	51.89	27	44.59	23	39.48	18.52	39	16	31
Askari Bank	20	16.49	17	13.88	7	7.12	17.65	186	19	132
HBL	13	19.40	13	19.40	11	15.40	0	18	0	26
ABL	7	7.60	6	5.60	6	5.60	16.67	17	36	36
Dubai Islamic Bank	1	2.00	1	2.00	1	2.00	0	0	0	0
Total	30,133	29,815.97	27,421	27,066.46	21,734	21,662.78	9.89	39	10	38

*One account was earlier reported twice by the bank and has now been rectified

2.3 Gender-wise Status of Applications Received under PMYBL

During quarter under review, 3,788 applications were received from male and 273 applications from female applicants under the scheme. By the end of March, 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 Executing Agencies under the scheme. A total disbursement of Rs 1,757 million was made to 1,762 borrowers during Jan-Mar 2018 quarter under PMYBL with major contribution from JS Bank. A year-on-year growth of 30 percent was observed with respect to loans disbursed under the scheme with the total disbursed amount increasing from Rs

18,039.49 million (18,015 borrowers) at the end of March, 2017 to Rs 23,375 million (23,384 borrowers) at the end of March, 2018.

On quarter-on-quarter basis, a growth of 8 percent was observed with total disbursed amount increasing to Rs 23,375 million at the end of March, 2018 from Rs 21,617.70 million at the end of December, 2017.

Table 3: Disbursements under PMYBL							Amount in Rs million			
Banks	Mar, 2018		Dec, 2017		Mar, 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	20,400	20,415.37	19,553	19,573.23	17,252	17,284.32	4	18	4	18
JS Bank	1,998	1,972.09	1,131	1,116.61	15.00	24.10	77	13,220	77	8,083
Meezan Bank	291	216.37	292	217.07	239	176.86	-0.34*	22	-0.32*	22
Summit Bank	291	312.50	263	279.95	197	193.57	11	48	12	61
FWBL	212	230.19	202	217.89	170	187.64	5	25	6	23
UBL	51	56.75	51	56.75	35	42.90	0	46	0	32
Albaraka	40	30.74	40	30.74	40	30.74	0	0	0	0
Sindh Bank	36	55.21	34	51.21	26	41.37	6	38	8	33
Bank Al Habib	32	51.89	27	44.59	23	39.48	19	39	16	31
Askari Bank	18	14.58	15	12.31	6	5.17	20	200	18	182
HBL	8	11.75	8	11.75	6	7.75	0	33	0	52
ABL	7	7.60	6	5.60	6	5.60	17	17	36	36
Total	23,384	23,375.04	21,622	21,617.70	18,015	18,039.49	8	30	8	30

*One account was earlier reported twice by the bank and has now been rectified.