



PMYBL Scheme Quarterly Review as of June 30, 2019

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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 p.a.

Total number of applications received by the Executing Agencies (EAs) under PMYBL Scheme as of June 30, 2019 stood at 101,938. 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 33,145 as on June 30, 2019, while cumulative disbursements of Rs 26,760 million had been made to 26,679 beneficiaries till June 30, 2019.

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 the 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 p.a. 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' rate 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 the remaining fifteen are private sector banks.

2. Status of PMYBL Scheme

2.1 Applications Received under PMYBL

During the quarter Apr - Jun, Executing Agencies (EAs) under PMYBL received 215 applications. The largest number of applications was received by JS Bank (156) followed by NBP (35). With the addition of 215 applications, cumulative applications received under PMYBL as of June 2019 stood at 101,938. Out of these 101,938 applications, 89,860 applications (88 percent) were received from male applicants and 12,078 (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, 2019	Mar, 2019	Jun, 2018	Number	%	Number	%
NBP	90,283	90,248	89,878	35	0.04%	405	0.45%
JS Bank	9,243	9087	7,336	156	2%	1,907	26%
Meezan Bank	686	686	648	-	0%	38	6%
FWBL	690	671	625	19	3%	65	10%
Summit Bank	347	347	340	-	0%	7	2%
UBL	331	330	292	1	0.3%	39	13%
Bank Al Habib	80	80	79	-	0%	1	1%
Sindh Bank	74	72	68	2	3%	6	9%
Albaraka	62	62	62	-	0%	-	0%
Askari Bank	50	50	49	-	-	1	2%
HBL	37	37	37	-	0%	-	0%
Bank Alfalah	35	33	33	2	6%	2	6%
ABL	13	13	13	-	0%	-	0%
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	101,938	101,723	99,467	215	0.21%	2,471	2%

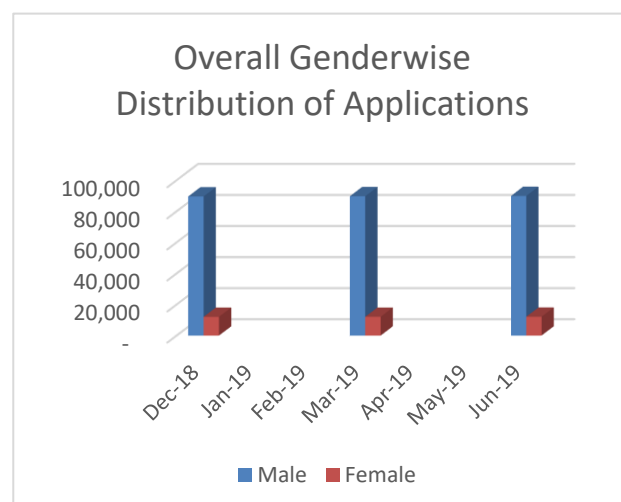
2.2 Applications Sanctioned under PMYBL

The sanctioned applications under PMYBL increased from 33,074 at the end of March, 2019 to 33,145 at the end of June, 2019. Similarly, the sanctioned amount under PMYBL increased from Rs 32,838 million at the end of March, 2019 to Rs 32,940 million at the end of June, 2019. When a comparison is drawn with the sanctioned amount of Rs 31,595 million as on June 2018, it translates into a YOY growth of 4%.

Table 2: Sanctioned Amount under PMYBL							Amount in Rs million			
Banks	Jun, 2019		Mar, 2019		Jun, 2018		% 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	28,132	27,782.05	28,114	27,765.54	27,772	27,468.74	0.06%	1%	0.06%	1%
JS Bank	3,766	3,885.02	3,733	3,821.06	2,951	2,973.72	0.88%	28%	2%	31%
Summit Bank	327	361.48	327	361.48	320	352.4	0%	2%	0%	3%
FWBL	333	361.58	316	344.08	268	300.58	5.38%	24%	5%	20%
Meezan Bank	348	255.72	348	255.72	327	231.15	0%	6%	0%	11%
Sindh Bank	50	80.41	49	78.41	43	67.91	2.04%	16%	3%	18%
UBL	69	75.51	69	75.14	62	65.80	-	11%	0.49%	15%
Bank Al Habib	32	51.89	32	51.89	32	51.89	0%	0%	0%	0%
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%	0%	0%	0%
Askari Bank	23	20.95	23	20.95	22	19.00	0%	5%	0%	10%
ABL	7	7.60	7	7.60	7	7.60	0%	0%	0%	0%
Bank Alfalah	2	2.0	-	-	-	-	-	-	-	-
Total	33,145	32,940	33,074	32,838	31,860	31,595	0.21%	4%	0.31%	4%

2.3 Gender-wise Status of Applications Received under PMYBL

During quarter under review, 190 applications were received from male and 25 applications from female applicants under the scheme. By the end of June 2019 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 129 million was made to 110 borrowers during Apr - Jun 2019 quarter under PMYBL with major contribution from NBP and JS Bank. A year-on-year growth of 6 percent was observed with respect to loans disbursed under the scheme with the total disbursed amount increasing from Rs 25,132 million (25,128 borrowers) at the end of June, 2018 to Rs 26,760 million (26,679 borrowers) at the end of June, 2019.

Table 3: Disbursements under PMYBL							Amount in Rs million			
Banks	Jun, 2019		Mar, 2019		Jun, 2018		% 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	21,773	21,822.85	21,716	21,767.38	21,153	21,185.43	0.26%	3%	0.25%	3%
JS Bank	3,764	3,771.82	3,731	3,718.65	2,949	2,910.89	1%	28%	1%	30%
Summit Bank	314	343.54	314	343.54	304	328.56	0%	3%	0%	5%
FWBL	290	306.44	274	290.94	224	243.64	6%	29%	5%	26%
Meezan Bank	311	240.07	311	240.07	291	216.37	0%	7%	0%	11%
Sindh Bank	48	76.21	47	74.21	41	63.71	2%	17%	3%	20%
UBL	67	74.51	66	73.14	57	62.30	2%	18%	2%	20%
Bank Al Habib	32	51.89	32	51.89	32	51.89	0%	0%	0%	0%
Albaraka	40	30.74	40	30.74	40	30.74	0%	0%	0%	0%
Askari Bank	23	20.62	23	20.62	22	19	0%	5%	0%	9%
HBL	8	11.75	8	11.75	8	11.75	0%	0%	0%	0%
ABL	7	7.60	7	7.60	7	7.60	0%	0%	0%	36%
Bank Alfalah	2	2								
Total	26,679	26,760	26,569	26,631	25,128	25,132	0.41%	6%	0.49%	6%