



PMYBL Scheme Quarterly Review as of March 31, 2019

Team Leader

Mr. Ghulam Muhammad Abbasi

ghulam.muhammad@sbp.org.pk

Members**Prepared by**

Mr. Adnan Majid

adnan.majid@sbp.org.pk

Reviewed by

Mr. Akhtiar Ahmed

akhtiar.ahmed@sbp.org.pk

For feedback/queries:

smefd@sbp.org.pk

DISCLAIMER

Whilst every effort has been made to ensure the quality and accuracy of the data/information provided in this document, the State Bank of Pakistan makes no warranty concerning the contents of this Review. The contents and comments are provided for educational purposes as well as for general information only. In no event the State Bank, its affiliates or other stakeholders will be liable for any mistakes.

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 March 31, 2019 stood at 101,723. 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 33,074 as on March 31, 2019, while cumulative disbursements of Rs 26,631 million had been made to 26,569 beneficiaries till March 31, 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 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 remaining fifteen are private sector banks.

2. Status of PMYBL Scheme

2.1 Applications Received under PMYBL

During the quarter Jan - Mar, Executing Agencies (EAs) under PMYBL received 139 applications. The largest number of applications was received by NBP (86) followed by JS Bank (37). With the addition of 139 applications, cumulative applications received under PMYBL as of March 2019 stood at 101,723. Out of these 101,723 applications, 89,670 applications (88 percent) were received from male applicants and 12,053 (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, 2019	Dec, 2018	Mar, 2018	Number	%	Number	%
NBP	90,248	90,162	88,924	86	0.09%	1,324	1%
JS Bank	9087	9050	5,726	37	0.4%	3,361	59%
Meezan Bank	686	686	648	-	0%	38	6%
FWBL	671	658	613	13	2%	58	9%
Summit Bank	347	347	332	-	0%	15	5%
UBL	330	329	285	1	0.3%	45	16%
Bank Al Habib	80	80	78	-	0%	2	3%
Sindh Bank	72	70	67	2	3%	5	7%
Albaraka	62	62	62	-	0%	-	0%
Askari Bank	50	50	47	-	-	3	6%
HBL	37	37	37	-	0%	-	0%
Bank Alfalah	33	33	33	-	0%	-	0%
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	101,723	101,584	96,872	139	0.13%	4,851	5%

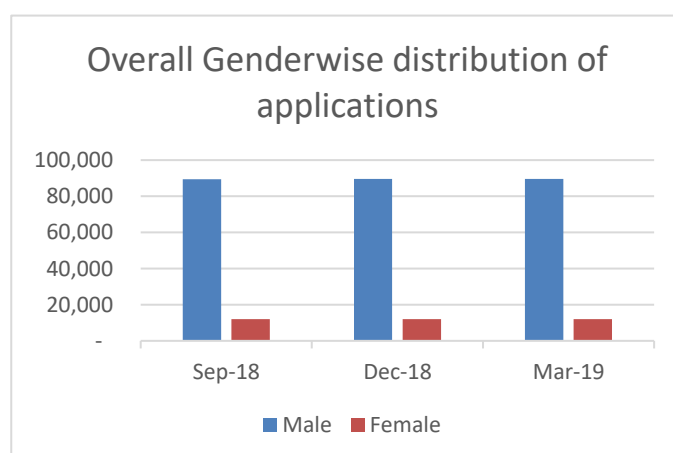
2.2 Applications Sanctioned under PMYBL

The sanctioned applications under PMYBL increased from 32,967 at the end of December, 2018 to 33,074 at the end of March, 2019. Similarly, the sanctioned amount under PMYBL increased from Rs 32,730 million at the end of December, 2018 to Rs 32,838 million at the end of March, 2019. When a comparison is drawn with the sanctioned amount of Rs 29,814 million as on March 2018, it translates into a YOY growth of 10%.

Table 2: Sanctioned Amount under PMYBL							Amount in Rs million			
Banks	Mar, 2019		Dec, 2018		Mar, 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	28,114	27,765.54	28,036	27,692.83	27,029	26,687.37	0.28%	4%	0.26%	4%
JS Bank	3,733	3,821.06	3,721	3,802.71	2,000	2,014.01	0.32%	87%	0%	90%
Summit Bank	327	361.48	327	361.48	309	339.41	0%	6%	0%	7%
FWBL	316	344.08	303	332.33	256	285.33	4.29%	23%	4%	21%
Meezan Bank	348	255.72	348	255.72	327	231.15	0%	6%	0%	11%
Sindh Bank	49	78.41	48	76.41	40	62.91	2.08%	23%	3%	25%
UBL	69	75.14	67	72.14	56	62.05	2.99%	23%	4%	21%
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	22	20.95	20	16.49	5%	15%	0%	27%
ABL	7	7.60	7	7.60	7	7.60	0%	0%	0%	0%
Total	33,074	32,838	32,967	32,730	30,132	29,814	0.32%	10%	0.32%	10%

2.3 Gender-wise Status of Applications Received under PMYBL

During quarter under review, 120 applications were received from male and 19 applications from female applicants under the scheme. By the end of March, 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 159 million was made to 153 borrowers during Jan - Mar 2019 quarter under PMYBL with major contribution from NBP. A year-on-year growth of 14 percent was observed with respect to loans disbursed under the scheme with the total disbursed amount increasing from Rs 23,375 million (23,384 borrowers) at the end of March, 2018 to Rs 26,631 million (26,569 borrowers) at the end of March, 2019.

Table 3: Disbursements under PMYBL										Amount in Rs million	
Banks	Mar, 2019		Dec, 2018		Mar, 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	21,716	21,767.38	21,591	21,640.94	20,400	20,415.37	1%	6%	1%	7%	
JS Bank	3,731	3,718.65	3,719	3,702.87	1,998	1,972.09	0.32%	87%	0.42%	89%	
Summit Bank	314	343.54	314	343.54	291	312.50	0%	8%	0%	10%	
FWBL	274	290.94	260	278.49	212	230.00	5%	29%	4%	26%	
Meezan Bank	311	240.07	311	240.07	291	216.37	0%	7%	0%	11%	
Sindh Bank	47	74.21	46	72.21	36	55.21	2%	31%	3%	34%	
UBL	66	73.14	65	71.14	51	56.75	2%	29%	3%	29%	
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	21.00	23	21.00	18	14.58	0%	28%	0%	44%	
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%	
Total	26,569	26,631	26,416	26,472	23,384	23,375	1%	14%	1%	14%	