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**Agricultural credit disbursement rises 5.74%
to Rs 30.40 billion in first two months of FY10**

Agricultural credit disbursement by commercial and specialized banks rose 5.74 percent year-on-year to Rs 30.40 billion in the first two months of the current 2009-10 fiscal year (FY10). In absolute terms, disbursement of credit to the agriculture sector increased by Rs 1.65 billion in July-August, 2009 period when compared with total disbursement of Rs 28.75 billion in the same month last year.

Overall credit disbursement by five major commercial banks including Allied Bank Limited, Habib Bank Limited, MCB Bank Limited, National Bank of Pakistan and United Bank Limited stood at Rs 17.61 billion in July-August, 2009 compared with Rs 14.67 billion in July-August, 2008, depicting an increase of Rs 2.94 billion or 20.03 percent. Zarai Taraqati Bank Limited, the largest specialized bank, disbursed a total of Rs 6.64 billion in July-August, 2009, up 13.67 percent when compared with Rs 5.84 billion in July-August, 2008 while disbursement by Punjab Provincial Co-operative Bank Limited stood at Rs 566.87 million in July-August, 2009 compared with Rs 713.21 million in the same period last year. Besides, 14 domestic private banks also loaned a combined Rs 5.59 billion in July-August, 2009 compared with Rs 7.53 billion disbursed in the corresponding period last year.

It may be recalled that the State Bank of Pakistan has set an indicative agricultural credit disbursement target of Rs 260 billion for FY10. Banks disbursed a total of Rs 233.01 billion to the agricultural sector in FY09.
