

Banks surpass annual agri. credit disbursement target during last fiscal year

Banks have surpassed the agri. credit disbursement target for the last fiscal year (2011-12) by extending loans amounting to Rs 293.8 billion to agriculturists which is 8.8 billion (103 percent of annual target) more than the indicative target of Rs 285 billion set by the Agricultural Credit Advisory Committee (ACAC) for the whole fiscal year. It is 11.7 percent higher than Rs 263 billion disbursed in 2010-11.

Five large banks collectively disbursed agri. loans amounting to Rs 146.3 billion or 103.7% of their annual target (Rs 141 billion) in fiscal year 2011-12, higher by 4.3% as compared with Rs 140.3 billion disbursed during the preceding fiscal year (FY2010-11). National Bank of Pakistan (NBP), Habib Bank Limited (HBL), MCB Bank, Allied Bank Limited (ABL) & United Bank Limited (UBL) have surpassed their annual targets by achieving 106.0%, 103.5%, 103.3%, 102.8% and 100.7% disbursement respectively. Zarai Taraqiati Bank Limited (ZTBL) disbursed Rs 66.06 billion or 94.2% of its annual target of Rs 70.1 billion while Punjab Provincial Co-operative Bank Limited (PPCBL) by disbursing Rs 8.5 billion or 112.1% has surpassed its annual target (Rs 7.6 billion) during FY 2011-12.

Fourteen Domestic Private Banks as a group achieved 112.5% of their target (Rs 54.1 billion) by disbursing agri. loan of Rs 60.9 billion. The Bank of Khyber, Bank Al Habib, Faysal Bank, Soneri Bank, NIB Bank and Askari Bank have surpassed their annual agri. credit disbursement targets by achieving 174.6%, 147.6%, 136.7%, 132.4%, 104.1% and 100.4 % disbursement respectively while other remaining banks could not meet their annual targets.

Five Microfinance Banks as a group disbursed agri. loans of Rs 12.1 billion or 99.3% of their annual target of Rs 12.2 billion during FY 2011-12.

It may be pointed out here that the banks had been missing the agri. credit disbursement targets since 2008-09. Achievement of agri. credit disbursement target during the year ended June 2012 was extremely difficult in the backdrop of continuous declining trend in the overall Private Sector Credit and high agri. [Non-performing Loans \(NPLs\)](#) of major banks due to devastating floods of 2010 and heavy rains of 2011 in Sindh province. However, SBP adopted a multipronged strategy and made all out efforts in achieving the target of Rs 285 billion allocated by ACAC. The efforts of SBP officials not only helped banks in achieving their target but also surpassing it. These efforts included swift settlement of crop loan insurance claims, close co-ordination with provincial revenue departments to facilitate the One Window Operation in agri. intensive districts for timely completion of revenue formalities, holding of farmers' awareness and financial literacy programs at grass root level, and follow up of targets with the top management of banks and their agri. Heads. The contribution by SBP BSC field offices in monitoring the regional targets was also greatly helpful.

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