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## Farmers reap benefit as banks' credit disbursement grows

Pakistan's farmers are benefiting as banks' agriculture credit disbursement nears the annual target. During first eleven months of the current fiscal year i.e. July - May 2014, banks disbursed Rs 334.7 billion or 88.0% of the annual target of Rs 380.0 billion, with some of the banks already surpassing their annual targets.

It may be recalled here that during recent meeting with banks, Syed Samar Hasnain, Executive Director, State Bank of Pakistan, re-emphasized the need to boost up credit disbursement to farming community and urged banks to ensure achievement of annual agricultural credit disbursement target of Rs. 380 billion for 2013-14.

Banks' disbursement is 13.6% higher than Rs 294.5 billion during the corresponding period last year. The outstanding portfolio of agricultural loans has increased by Rs 30.3 billion (12.3%) i.e. from Rs 246.7 billion to Rs 277.0 billion at end May, 2014 as compared to same period last year.

Five major commercial banks as a group disbursed agri. loans of Rs 169.4 billion or 90.1% of its annual target which is higher by 7.9% from Rs 157.0 billion during the corresponding period last year. Amongst the five major banks HBL, MCB, UBL, NBP and ABL achieved respectively 92.5%, 92.4%, 91.9%, 91.7% and 78.9% of their individual annual targets.

Amongst specialized banks, ZTBL achieved 93.1% of its target by disbursing Rs 64.7 billion against its annual target of Rs 69.5 billion while PPCBL achieved 66.2% of its target of Rs 10.0 billion by disbursing Rs 6.6 billion during the period under review.

Fourteen domestic private banks collectively achieved 81.6% of their annual targets. Under domestic private bank's category, the Standard Chartered Bank has already surpassed its annual target while Bank Al Habib achieved 96.6% of its annual target, Sindh Bank achieved 96.2%, Bank of Punjab 93.2%, Bank Alfalah 89.5%, Faysal Bank 89.1%, Summit Bank 85.3%, Bank of Khyber 84.4%, Habib Metropolitan Bank 81.2%, Soneri Bank 79.4% and Silk Bank 68 % of their annual targets. Further, NIB Bank achieved 56.2 %, KASB 40% and Askari Bank could achieve only 31% of its annual target.

Seven microfinance banks as a group disbursed agricultural loans of Rs 19.6 billion or 90.8% of their annual target of Rs 21.6 billion. Amongst the microfinance banks, Tameer Microfinance Bank, U Microfinance bank, Pakoman Microfinance bank and Khushhali Bank have already surpassed their annual targets while NRSP Microfinance Bank, Waseela and the First Microfinance Bank could achieve respectively 80.5%, 71.6% and 69.3% of their annual targets. Under the category of Islamic banks, three banks collectively achieved 98.5% of their annual targets by disbursing Rs 523.9 million against the target of Rs 532.0 million during July-May 2014.

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