



External Relations Department

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Banks performance under SBP Rozgar Refinance Scheme supported by Government of Pakistan's Risk Sharing Facility

On April 10, 2020 State Bank of Pakistan introduced a refinance scheme to provide concessional credit at 3% interest rate and generous repayment terms to any business that commits to not lay off workers for 3 months. The goal of the scheme was to provide an incentive to businesses to protect jobs. On May 06, 2020 SBP complemented this scheme with a 40% percent risk sharing facility (RSF) on first loss basis from the Government of Pakistan for utilization of this scheme for SMEs and small corporates (defined as business with annual turnover not exceeding Rs. 2 billion). As of June 12, 2020 there has been significant take up in the scheme. Banks have approved loan applications worth Rs. 107.5 billion of which Rs. 23.5 billion is for SMEs and small corporates under the risk sharing facility.

Amongst the banks there is considerable difference in the extent to which they have provided credit under the RSF. Some have been more active than others. This note provides to the public bank-level information on two key areas: (a) total amount of loans provided by the bank under the scheme to SMEs and small corporates and (b) the loan amount approved by the bank in percent of the loan amount applied (acceptance ratio). The goal of this note is to promote the use of this scheme and to recognize banks that have been most active in providing credit to SMEs and small corporates under this scheme. The public may find such information useful.

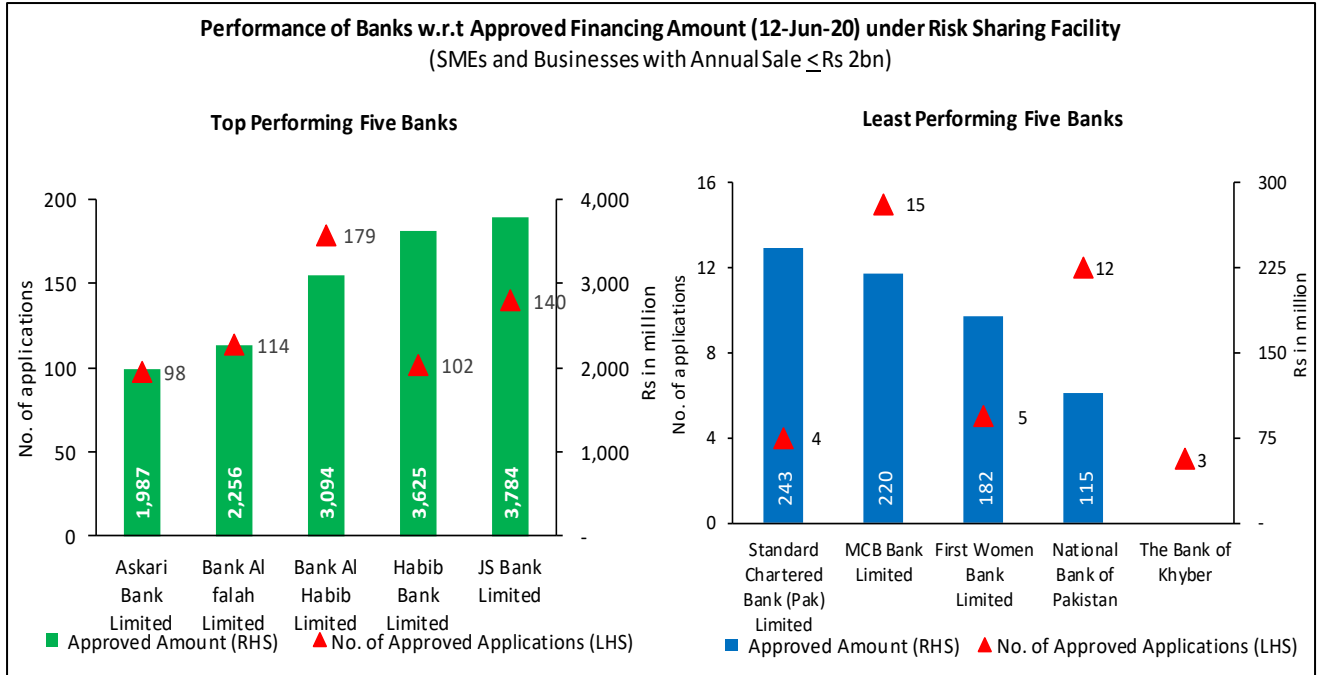
It should be noted that this note provides information only on the data related to credit to SMEs and small corporates. The rankings of the banks may be different when also using the data for lending to large corporates as some banks may be more focused on serving those segments of the market. It should also be noted that these figures focus only on lending under the Rozgar Refinancing scheme. Some banks may be more active in other forms of SME lending which would not be reflected in the figures below.

Performance of Banks w.r.t Approved Financing Amount

Review of data indicates that five banks (Top Performing Five Banks) together constitute more than 61 percent share of overall approved financing amount under the Risk Sharing Facility (RSF) with JS Bank Limited at the top, followed by HBL and Bank Al-Habib. The chart of Least Performing Five Banks depicts the bottom pyramid of banks that have lagged other banks in extending financing under this risk sharing scheme. This list includes two big banks.

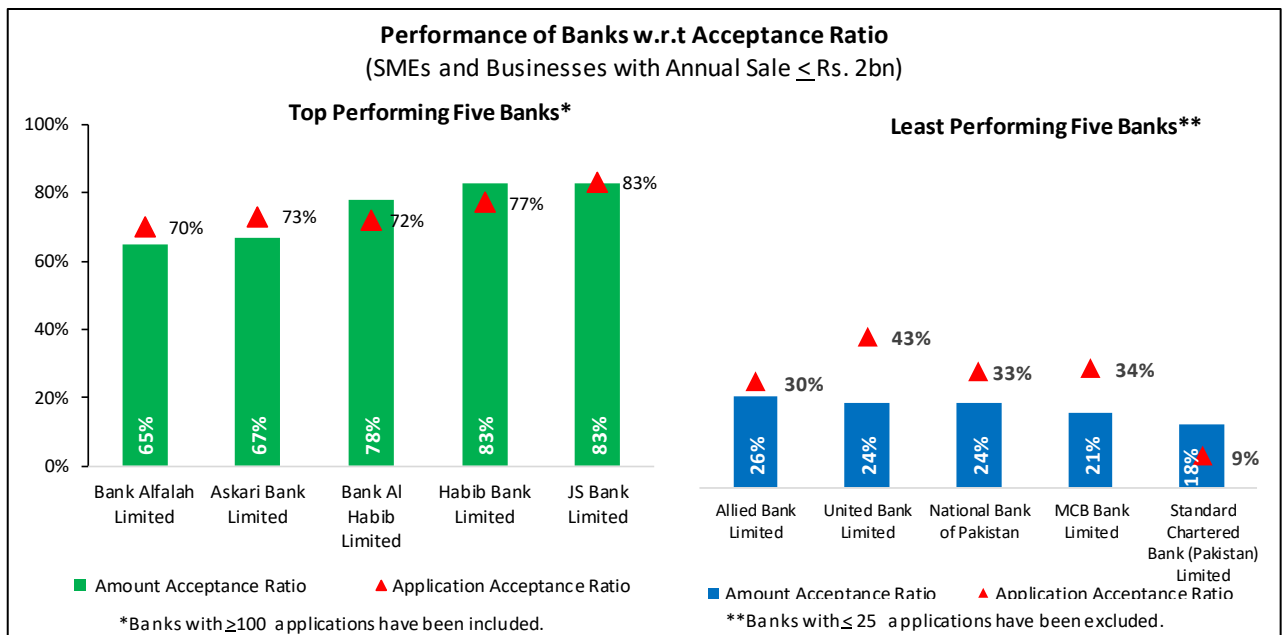


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Performance of Banks w.r.t Acceptance Ratio

Review of performance of banks w.r.t acceptance ratio in terms of amount and number of applications approved shows that Top Performing Five Banks remain in the range between 65 % to 83 % and 70 % to 83 % respectively. The chart of Least Performing Banks highlights the bottom five banks that remain in the low range between 18 % to 26 % and 9 % to 43 %, respectively for above mentioned two categories. Interestingly, Top Five Performing Banks



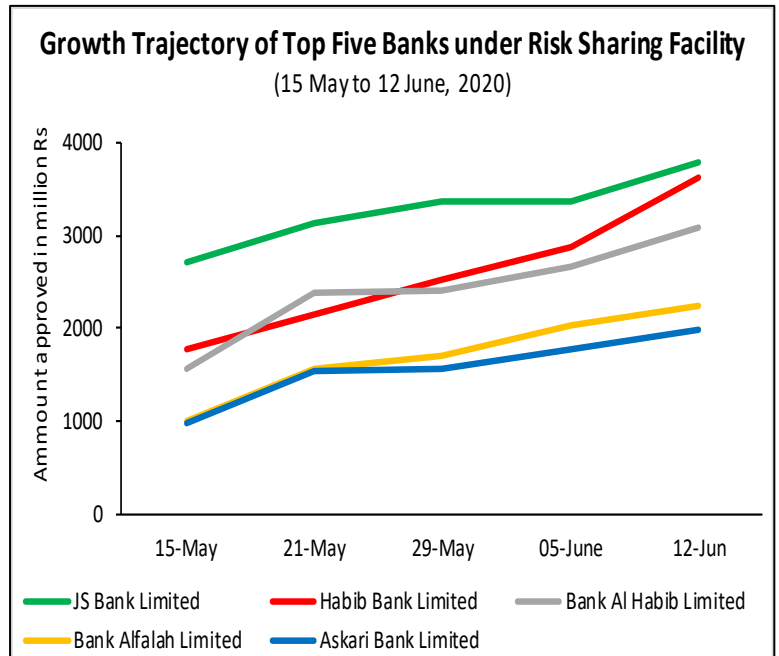
are the same which are also top performers with respect to approved financing amount. Four of the big banks have the lowest rates of approving applications across banks.



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Growth Trajectory of Top Performing Five Banks over Period (May 15, 2020 - June 12, 2020)

Performance of Top Five Banks over the last five weeks (May 15, 2020 - June 12, 2020) shows continuous increase in approved financing amount of each of these banks. A comparison of these five banks over the said period indicates that JS Bank Limited maintained its top position throughout all these five weeks, however, Habib Bank Limited improved its position to second from third since May 29, 2020. Bank Alfalah Limited also improved its position from being the lowest since May 21, 2020.





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Bank Wise Performance Under Risk Sharing Facility of SBP Rozgar Refinance Scheme (with Annual Sale ≤ Rs. 2bn)

| Bank Wise Position as on June 12,2020 | | | | | | |
|--|------------------------------|---|--|---|---|--|
| | | | | | Rs. in '000s' | |
| Bank name | No. of Applications Approved | Total Rupee Amount of Applications Approved | Total No. of employees covered in the No. of Applications Approved | No. of Applications Approved / Application Received (%) | Rupee Amount of Applications Approved / Applications Received (%) | |
| JS Bank Limited | 140 | 3,783,593 | 32,550 | 83% | 83% | |
| Habib Bank Limited | 102 | 3,624,596 | 29,840 | 77% | 83% | |
| Bank Al Habib Limited | 179 | 3,093,852 | 30,593 | 72% | 78% | |
| Bank Alfalah Limited | 114 | 2,255,738 | 22,012 | 70% | 65% | |
| Askari Bank Limited | 98 | 1,986,796 | 17,220 | 73% | 67% | |
| Habib Metropolitan Bank Limited | 77 | 1,594,313 | 16,793 | 52% | 53% | |
| Meezan Bank Limited | 29 | 1,189,800 | 10,857 | 38% | 46% | |
| Dubai Islamic Bank Pakistan Limited | 33 | 1,172,906 | 8,279 | 70% | 66% | |
| Faysal Bank Limited | 40 | 1,149,326 | 11,041 | 61% | 67% | |
| The Bank of Punjab | 26 | 943,966 | 8,853 | 62% | 82% | |
| Soneri Bank Limited | 19 | 395,545 | 3,474 | 61% | 45% | |
| SAMBA Bank Limited | 26 | 365,821 | 2,528 | 93% | 96% | |
| MCB Islamic Bank | 10 | 343,108 | 1,624 | 42% | 40% | |
| Allied Bank Limited | 12 | 328,823 | 2,729 | 30% | 26% | |
| United Bank Limited | 30 | 328,001 | 3,163 | 43% | 24% | |
| BankIslami Pakistan Limited | 6 | 258,609 | 2,043 | 60% | 94% | |
| Al Baraka Bank (Pakistan) Limited | 11 | 254,727 | 2,384 | 42% | 39% | |
| Standard Chartered Bank (Pakistan) Limited | 4 | 243,000 | 941 | 9% | 18% | |
| MCB Bank Limited | 15 | 220,147 | 1,886 | 34% | 21% | |
| First Women Bank Limited | 5 | 181,934 | 2,212 | 42% | 44% | |
| National Bank of Pakistan | 12 | 114,974 | 1,229 | 33% | 24% | |
| The Bank of Khyber | 3 | 8,398 | 76 | 30% | 6% | |
