



**NBP**

National Bank of Pakistan

*The Nation's Bank*

# PLANS OF NBP FOR PROVIDING CREDIT FACILITIES TO AGRO FOOD SECTOR

## AGRICULTURE FINANCING DIVISION

### PERFORMANCE OF NBP IN AGRICULTURE FINANCING

- ◆ Historically NBP is a leading commercial bank in financing to agriculture sector.
- ◆ Supervised Rural Credit Program was started in 1972.
- ◆ New matrix structure in operations.
  - i) Agricultural Finance Division at Head Office.
  - ii) General Manager Agriculture at Regional Offices.
  - iii) Agricultural Field Officers at Branch level.
- ◆ Second largest lender after ZTBL due to up gradation of Agricultural Wing to Agricultural Finance Division since 2001.
- ◆ Total market share of NBP is 18%.

## CREDIT REQUIREMENT AND TARGET ALLOCATION 2006-2007

(Rs. In Billion)

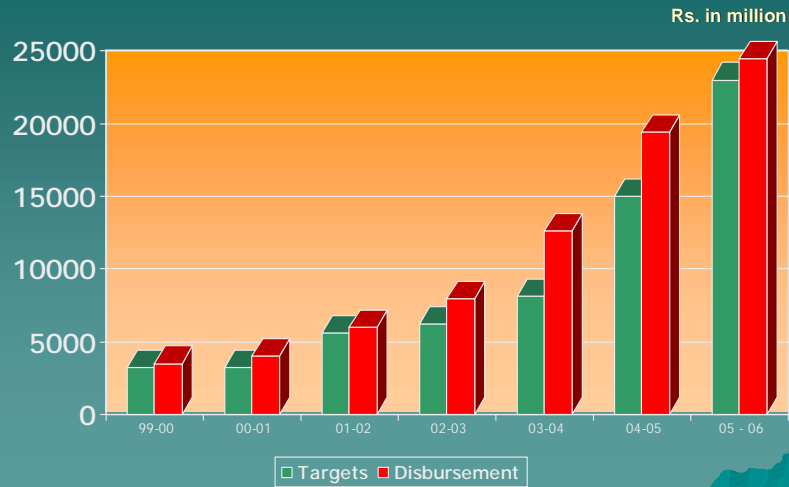
- ◆ Total requirements of Agriculture Sector 628.041
  - ◆ Credit requirement from banking system 363.681
  - ◆ SBP allocated target to banks 160.000\*
  - ◆ Share of ZTBL in allocated target 30%
  - ◆ Share of major commercial banks in SBP allocated target (NBP,HBL,UBL,MCB,ABL) 50%
  - ◆ NBP's share among major commercial banks 35%
  - ◆ Share of Punjab Provincial Cooperative Bank 5.6%
  - ◆ Share of Domestic Private banks in SBP allocated target 14.6%
- \* Shortfall is being met through own traditional & non-traditional sources.  
 Source: SBP

## SBP TARGETS AND NBP ACHIEVEMENTS FOR THE LAST SEVEN YEARS

(Rs. in Million)

Period	SBP Target	Achievement July to June			Variation (- / +)	No. of Borrowers	% age of Recovery	Outstanding
		Prod.	Dev.	Total				
99-00	3228.281	3293.885	199.906	3493.791	265.510	123660	79%	2859.361
00-01	3215.144	3830.034	202.819	4032.853	817.709	122580	87%	2472.519
01-02	5600.00	5767.217	246.953	6014.170	414.170	182619	84%	3233.190
02-03	6200.00	7582.519	361.733	7944.252	1744.252	203528	96%	4868.953
03-04	8100.00	11130.164	1491.437	12621.601	4521.601	239576	92%	9281.466
04-05	15000.00	16950.578	2445.219	19395.797	4395.797	253480	97%	14158.351
05-06	23000.00	21743.439	2713.653	24457.092	1457.092	281459	96%	18571.262

## TARGETS & ACHIEVEMENT FOR THE LAST SEVEN YEARS



## NBP KISSAN DOST 29 PRODUCTS

Agri. Input Loan	Micro Credit	Medium/Long Term Loan
Tractor Loan	Tubewell Loan	Agri. Implements Loan
Irrigation Implements Loan	Canal Line Loan	Farm Transport Loan
Godown Construction Loan	Bio Gas Plant Loan	Sulphuric Acid Generator Loan
Fisheries Loan	Fish Pond Loan	Fish Boats Loan
Live Stock Farm Loan	Livestock Head purchase loan	Livestock Clinic Loan
Livestock Laboratory Loan	Milkman Motor Cycle Loan	Milk Processing Loan
Milk Chilling Plant Loan	Poultry Farming Loan	Cold Storage Loan
Pest Management Loan	Forest Development Loan	Loan for Sericulture.
Loan for Bee Farming	Kissan Taqat	

## OBJECTIVE OF NBP STRATEGY

- ◆ Provision of reliable infrastructure for expansion of existing agriculture financing making it capable to respond to the customer needs.
- ◆ Encouraging agricultural development through capacity building of the farmers for optimum utilization of credit for farm and non farm need.

## MAIN FOCUS OF THE FUTURE STRATEGY

- ◆ Farmer oriented and user friendly.
- ◆ Continuity of relationship with bonafide farmers
- ◆ Adequate & timely provision of credit to meet short, medium & long term requirements of farm and non farm sectors.
- ◆ Guidance in judicious use of credit by assisting the farmers in management of credit.
- ◆ Imparting market intelligence to farmers.
- ◆ Exclusive utilization of field force in agricultural financing operation.

## EMERGING AREAS FOR AGRICULTURE FINANCE

- ◆ Water conservation (Lining of water courses, sprinkler, trickle & tunnel, irrigation systems).
- ◆ Fattening of animals.
- ◆ Rearing of milch animals.
- ◆ Establishment of storage & processing units for farm produce.
- ◆ Export of Fruits & Vegetables.
- ◆ Maintaining quality, grading and packing standard.
- ◆ Marketing of agriculture produce.

## NBP's AWARDS & RECOGNITION

NBP has been a leading commercial bank in financing to different segments of economy, which has been recognized time and again both within and outside the country.

- ◆ Bank of the year 2004 for Pakistan by "The Banker".
- ◆ Best Foreign Exchange Bank in Pakistan 2005 by "Global Finance".
- ◆ Best Bank of the year 2005 for Pakistan by "Global Finance".
- ◆ Bank of the year 2005 for Pakistan by "The Banker".
- ◆ Best Agriculture Financing Institution in Banking Sector 2004-2005 by "Kissan Time Agro Pvt. Ltd".

## NBP's FUTURE PROJECTIONS OF FINANCING TO AGRICULTURE SECTOR

PERIOD	EXPECTED DISBURSEMENT
2006-2007	28 Billion
2007-2008	33 Billion
2008-2009	38 Billion
2009-2010	43 Billion
2010-2011	48 Billion

## ACTION PLAN

- ◆ Comprehensive coverage of NBP Agricultural Financing products on the media to raise awareness level of farming community
- ◆ Financing to Model Farms in Crops, Fruits, Vegetables and Livestock for developing synergies and linkages with the farming community.
- ◆ MIS for processing, tracking and monitoring.
- ◆ Strengthening of HR base both at field and controlling offices.
- ◆ Adequate Credit for precision land leveling, drip irrigation, sprinkler irrigation.

## ACTION PLAN

- ◆ Establishment of data bank in NBP regarding latest technologies and recent innovations developed in the country regarding agro-food sector. Close liaison with leading Universities/Colleges involved in research in this sector.
- ◆ Innovative products lending based on cash flow lending for storage and processing of agricultural produce
- ◆ Extensive training of field functionaries to facilitate the Agri. Customers.
- ◆ Accelerating the pace of farm mechanization