



# Zarai Taraqati Bank Ltd.

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## **PRESS RELEASE**

### **ZTBL's CREDIT & ENTITY RATING REAFFIRMED AS AAA/A-1+ WITH STABLE OUTLOOK BY VIS CREDIT RATING COMPANY**

**Islamabad: 27<sup>th</sup>, June 2019:** Acknowledging ZTBL performance, VIS credit rating company has reaffirmed bank's credit and entity rating of "AAA/A-1+" for the year 2018, with stable outlook, being the top/highest rating in the industry, spelling out bank's strong asset growth base and highest credit quality with negligible risk factor.

Zarai Taraqati Bank Limited (ZTBL's) role in providing leveraging opportunities to farming community, especially small landholders, for sustainable growth and subsequent development is evident from the fact that out of total agriculture outstanding portfolio in agriculture financing of Rs. 442 billion, ZTBL's share stands at Rs. 160 billion (as of December 2018) constituting 36.2 percent share in total agriculture credit market categorizing ZTBL as the largest shareholder with cumulative annual growth rate of 6.2 % for outstanding portfolio being highest in the industry, under the leadership of present Management and profound vision of Sheikh Aman Ullah, Acting President, ZTBL, after fifty seven years, the requisite expansion / modification in bank's business model has cast its positive impact on operating efficiency in a short span of eight months.

The Bank has launched Islamic Banking, an initiative which envisages an exponential growth in bank's business, maintaining its policy focus towards safeguarding the economic well being and profitable farm operations at bottom of the pyramid/marginalized farming community. Under Islamic Banking, in accordance with the cultural thread of rural community, ZTBL now offers banking and financing services to rural populous of the country. Another initiative under business model expansion/modification by ZTBL's present Management is to synergize modalities for greater inclusion of rural community, especially otherwise excluded, under present Government's National Financial Inclusion Strategy. For this purpose ZTBL has started deploying its ATMs on country wide basis. Now with the installation of 40 ATMs during the period Jan – May 2019, the rural community can have 24/7 access to banking facilities/access to finance enhancing bank's outreach and service delivery to grass root level. The Bank further plans to enhance ATMs network to 200 locations by this year.

ZTBL's Management vision has also interpreted in terms of raised service quality standards and swift services delivery mechanism, ensured through the establishment of 24/7 Call Center by ZTBL. The facility serves as a helpline for technical, technological, agriculture best practices, and bank's banking and financing services advisory platform, where farmers and rural community is being benefitted by on the spot resolution to their respective issues/problems.

In order to create better and well-integrated leveraging opportunities, which will lead to sustainable farm economy, especially for small farmers, the bank is actively participating in Govt, of Punjab's E-Credit Scheme (a mark-up free scheme for small farmers) under its Joint Venture arrangement with Punjab Government. Through this scheme the Bank envisage to broaden its outreach base with focused approach with creation of quality asset portfolio. ZTBL has broadened its customer base through this scheme by serving 100,000 farmers (New to Bank customers) with total exposure of Rs. 12.49 billion, Realizing the core objective of poverty reduction in rural financing of ZTBL, under its Joint Venture arrangement with the Government of AJK, the Bank has actively started financing of 300 small dairy units with the loan limit cap of Rs. 1.0 million with mark-up portion on bank's exposure will be borne by the Government of AJK.

Working on the same lines and through rigorous negotiations, the Government of Gilgit Baltistan has earmarked their budgetary allocation, for provincial budget 2019-2020 for livestock/cattle farming and fisheries sector under Joint Venture arrangement with ZTBL. Similarly, the Government of Balochistan has earmarked budgetary allocation, for provincial budget 2019-20 for Balochistan Green Tractor Financing Scheme, in exclusivity with ZTBL. Negotiations and rigorous followup is in progress with the Governments of KPK and Sindh. Under the leadership of present Management, ZTBL has also proceeded towards diversification of loan portfolio and introduced new import substitution financing schemes like, Financing of Small Oil Expeller Units for Canola, Soyabean, Sunflower, Mustard and Olive Oil. In addition to these new schemes for value added products are also launched e.g, i) Financing of Milk Chilling Units, ii) Three wheeler Loader

Rikshaw for transportation, iii) Floriculture including green houses, iv) Tunnel Farming, v) Silo, vi) Silage Making and vi) Fruit Processing (grading, polishing and Packaging).

In order to facilitate and support faster, cheaper, convenient and efficient flow of overseas Pakistani Remittances through formal channels, the Bank provides home remittance services in collaboration with Western Union and Bank of Punjab to facilitate its clients and other walk in customers. Recently ZTBL has also obtained permission from State Bank of Pakistan in 2019 to establish its own set up of remittances under Pakistan Remittance Initiative of State Bank of Pakistan.

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