



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
Media and Corporate Communications Department

PRESS RELEASE

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HBL disburses first loans to farmers with crop as collateral

LAHORE (July 15): Under an effort put together by non-profit Pakistan Agricultural Coalition (PAC), the first-ever loans by a leading Pakistani bank to farmers with crop (not land) as collateral were disbursed by the HBL in Muridke, District Sheikhupura.

Loans worth Rs3.7 million against 185 tons of wheat were disbursed to two farmers whose wheat was placed in a warehouse operated by Agility Pakistan after testing by SGS Pakistan. The stocks are under pledge to HBL at Pakistan Mercantile Exchange. Mr. Mahmood Moulvi, Chairman M.M. Flour Mills, committed to purchase the stock.

PAC Chief Executive Mr. Arif Nadeem said this is the birth of a new era for Pakistan's farmers as the warehouse receipts business model has now been adapted to the Pakistani environment. At its full strength in a major grains producer like Pakistan, this system can not only improve financial inclusion of farmers but also farmers' market access, protection of crop quality, price stability, and ultimately export competitiveness and food security.

Mr. Nadeem noted that this effort is a pilot for an eco-system based on the collateral management regulations 2017 championed by the SECP for which State Bank of Pakistan is developing a framework. In this context, he acknowledged SECP's commitment to the development of the commodities market and the excellent support its Chairman and Commissioner SMD are offering in terms of guidance and help in developing the sector.