

**PRIORITY SECTOR LENDING BY BANKS IN
PAKISTAN**

By

Saliqa Bano-014

Thesis Of

Masters of Science in Finance

Bahria University, Islamabad, Pakistan

Fall, 2015

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DEDICATION

First and foremost, I dedicated my entire thesis to my parents for their support throughout my life. Thank you both for giving me strength to reach for the stars and chase my dreams. Second, my siblings and friends deserve my wholehearted thanks as well. Without their love and support I couldn't be able to complete my work.

Saliqa Bano

ACKNOWLEDGEMENTS

First praise is to Allah, the most Beneficent, Merciful and Almighty, on whom ultimately we depend for sustenance and guidance. I bear witness that Holy Prophet Muhammad (PBUH) is the last messenger, whose life is perfect model for the whole mankind till the Day of Judgment. I thank Allah Almighty for giving me strength and ability to complete this study. Second, my supervisor Dr. Samreen whose guidance, appreciation and support helped me shapes this into its final form.

I acknowledge the prayers and efforts of my whole families, specially my parents because their support and guidance helped me a lot. I also wish to thank the whole faculty of my department for providing me with an academic base, which has enabled me to take up this study. I pay my thanks, tribute and appreciation to all my teachers, my supportive class fellows and all those their names do not appear here who have contributed to the successful completion of this study.

This thesis is only a beginning of my journey.

Saliqa Bano

ABSTRACT

The research is about to study priority sector lending by banks and details about lending pattern by banks to weaker sectors which is not economically stable and unpredictable. For this purpose, priority sectors and their lending's were identified. Data was gathered through financial reports from a sample size of 10 banks for the year 2005-2015. The study aimed to identify how to dig out that lending has increase in priority sectors over the previous years and factors influencing priority sector lending's. Various statistical tools were applied such as regression diagnostic, co relation, hausman test and compound growth was calculated. Results of the study revealed that lending advances to all the four sectors such as agriculture, textile, individual and others plays important role in its economic growth. Agriculture sector performed well among them, textile performance is better and it was improving every year from the calculation of growth rate. The other sectors are trying well yearly. Result of regression analysis of factor influencing on priority sector lending shows significance and positive impact on dependent variable. All the independent variables have more explanatory power than dependent variable.

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