

Karachi, 27 January 2014

Press Release

**SBP urges banks to re-align their strategies for promoting SME Finance
targeting unemployed youth**

Governor, State Bank of Pakistan, Mr. Yaseen Anwar, has urged the banks to play their active role in promotion of SME finance through effective use of technology and creating awareness. He was addressing a meeting of Presidents/CEOs of all banks/microfinance banks held at SBP today. He advised banks to realign their business strategies so that promising youth may avail merit-based funding for their start up businesses or expansions. Referring to the recently announced PM Youth Business Loans initiative, initially launched through NBP and First Woman Bank, he urged all other banks to participate in the scheme as a viable business given a vast untapped market of youth entrepreneurs. Banks should report such financings in their annual reports under Corporate Social Responsibility (CSR) initiative in line with SBP's instructions issued on 29th November, 2013, he said. He highlighted various achievements made in the banking sector during January-December 2013 despite challenges on various economic fronts. He mentioned that financial stability was achieved through active efforts by SBP during this period which is also reflected in improvement of Pakistan's rating by Moody's from negative outlook to positive. Achievements made by Pakistan in branchless banking and financial inclusion were also shared with the bankers. While discussing some other banking related matters, he advised Pakistan Banks Association to provide meaningful feedback on implications of striking down of section 15 of The Financial Institutions (Recovery of Finances) Ordinance 2001 and asked for banks recommendations to ensure smooth recovery of finances. Governor emphasized on the need for promoting green banking in Pakistan. He quoted example of solar ATMs installed under a memorandum signed between Bank Alfalah and Buksh Energy. Governor also introduced Mr. Saeed Ahmed, newly appointed Deputy Governor to the bankers.