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**Wathra appreciates banks' interest in PM Youth Business Loans Programme**

Governor State Bank of Pakistan Mr. Ashraf Mahmood Wathra while appreciating the banks' desire to voluntarily participate in Prime Minister's Youth Business Loans (PMYBL) programme has said that banks' participation in the programme can play a very effective role in promotion of Small and Medium Enterprises (SME) financing and thus job creation for the youth in the country.

It is pertinent to mention that Youth Business Loan Programme was launched by the Prime Minister in December 2013 and currently it is being implemented through National Bank of Pakistan and First Women Bank Limited. The other banks have now voluntarily demonstrated their pledge to support the economic initiatives in empowering the youth in either setting up new businesses or strengthening existing businesses.

A cluster of banks (excluding NBP/FWBL) has indicated that the banks can extend loans under the PMYBL programme upto Rs. 20 billion during fiscal year 2014-15. Similar targets will be announced in subsequent years. In order to effectively implement this programme, the banks are likely to specialize in one or more specific SME market segments and will train and allocate capable and dedicated personnel to deliver.

It is worth mentioning here that SBP prudential regulations for SME financing, issued last year, have facilitated the banks to increase outreach of their financial services to small entities with ease. SMEs mostly tend to be labour-intensive and help in creating more jobs with relatively low levels of investment. Thus promoting activities of this sector through extension of credit can help in reducing unemployment in the country more effectively.

Mr. Wathra while acknowledging and appreciating banks' resolve for extending loans under PMYBL purely on merit, hoped that the loans provided under the programme will have significant effect

on creating job opportunities in diverse areas, improving income levels and generating additional tax revenue for the Government of Pakistan.

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