



External Relations Department

ERD/M&PRD/PR/01/2020-88

August 18, 2020

SBP enhances loan size under its refinance scheme to support women entrepreneurs

To encourage women participation in the economy, State Bank of Pakistan (SBP) has enhanced the financing limit under its Refinance and Credit Guarantee Scheme for Women Entrepreneurs from Rs1.5 million to Rs5 million. The decision has been taken in light of feedback received from various stakeholders about current financing limit being insufficient to cover the financing needs of women entrepreneurs.

This decision is in line with the Government of Pakistan's policy to support and revive economic activities in the country and SBP's key objective of improving access to finance for priority segments including women entrepreneurs. Initially in August 2017, State Bank had introduced Refinance and Credit Guarantee Scheme for Women Entrepreneurs in underserved areas to promote financial inclusion and access to finance for women entrepreneurs in the country. Subsequently, the scope of scheme was enhanced to cover whole of Pakistan. Under this scheme, SBP provides refinance to participating financial institutions at 0% on their financing to women entrepreneurs at maximum end user rate of 5%. Moreover, 60% risk coverage is also available to the participating institutions.

The enhancement in financing limit under SBP scheme is expected to increase financial inclusion of women since more women entrepreneurs are likely to be attracted for setting up of new businesses or for expanding the scope of their existing businesses by availing concessional financing under SBP scheme.
