



External Relations Department

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Governor SBP witnesses the disbursement of first loan under SME Asaan Finance (SAAF) Scheme in Multan

During the visit of Multan Chamber of Commerce and Industry (MCCI) today, Governor State Bank of Pakistan, Dr. Reza Baqir, witnessed a check distribution ceremony held to mark the disbursement of first set of loans by Meezan Bank under SME Asaan Finance (SAAF) scheme today.

Addressing the audience, the Governor underscored the importance of SME sector for the economy and highlighted the measures taken by State Bank of Pakistan for i) providing enabling regulatory framework for SME financing, ii) developing market infrastructure and iii) creating awareness and enhancing capacity of bankers and SMEs. He encouraged all MCCI members, entrepreneurs as well as SMEs to avail maximum benefit from the scheme to set up and upgrade their business facilities.

Bridging a major gap, SAAF provides an avenue for SMEs to secure collateral free financing from banks, thereby increasing their financial inclusion. Under the scheme, SMEs can avail collateral free financing of upto Rs 10 million at the concessionary end-user rate of upto 9% p.a. to meet their long term capital expenditure and short term working capital needs. The scheme also offers reasonable spread to banks to enable them invest in their processes, systems, human resource and technology; so that when the SAAF scheme concludes, banks are able to continue the collateral free financing on sustainable basis. SAAF is a unique facility, wherein, refinance is provided by SBP while risk coverage of up to 60 percent is provided by Government of Pakistan.

The SAAF scheme was launched by SBP on August 16, 2021 and eight banks were selected after a transparent bidding process. Besides Meezan Bank, the seven other banks including Habib Bank Ltd, United Bank Ltd, The Bank of Punjab, Bank Alfalah Ltd, JS Bank Ltd, The Bank of Khyber and Allied Bank Ltd will start disbursement under SAAF from early next month. The desirous SME borrowers can approach any of the eight banks for availing collateral-free financing under SAAF. The details of SAAF scheme are available at SBP website <https://www.sbp.org.pk/smefd/circulars/2021/C9.htm>.

In case of any query or complaint in availing finance under SAAF scheme, SBP may be approached by email at incentive.schemes@sbp.org.pk.
