

The Presidents/Chief Executives,
All Banks /DFIs

Dear Sir/Madam,

Refinance and Credit Guarantee Scheme for Women Entrepreneurs in Underserved Areas

Enhancing financial inclusion of women is one of the priority areas of the State Bank of Pakistan. In an effort to improve access to finance for women entrepreneurs in the underserved areas of the country, a refinance and credit guarantee scheme is being launched. Following are the main features of the scheme:

Target market	Women entrepreneurs in underserved areas
Maximum financing amount	Rs 1.5 million
Financing tenor and grace period	Upto 5 years with grace period of upto 6 months
End user mark-up rate	Upto 5% per annum
SBP's refinance rate	0%
Purpose of financing	Setting up of new businesses or expansion of existing ones
Risk coverage	60% of outstanding principal
Collateral requirements	Preferably on the basis of personal guarantee of the borrower
Limit allocation	Atleast 20% of the allocated limit fixed for lending to women entrepreneurs in Balochistan

Women empowerment through financial inclusion is one of the desirable outcomes of the subject scheme and therefore the banks/DFIs are advised to take effective measures to facilitate eligible women borrowers under the scheme with the aim to maximize the outreach of this facility.

The banks/DFIs should follow the instructions provided in the attached scheme to apply for limits to Infrastructure, Housing and SME Finance Department, State Bank of Pakistan by September 29, 2017.

The attached scheme contains all the details as well as the reporting mechanism.

The scheme will be effective from the date of the issuance of this circular.

Encl:

- (i) Scheme
- (ii) Refinance Application Documents
- (iii) Reporting Template

Yours sincerely,

(Syed Basit Aly)
Director