



## External Relations Department

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### **SBP extends its relief package to borrowers availing loans under Refinance Schemes**

State Bank of Pakistan has continuously been reviewing the challenges arising out of COVID-19 pandemic situation with particular reference to the financial sector and taking measures. Expanding the scope of its recently announced relief package for households and businesses, SBP has taken another major step today. State Bank has allowed similar relaxations, as provided under the relief package, on its concessional refinance schemes. Under various refinance schemes loans are provided with preferential terms and conditions to promote growth in priority sectors of the economy. Now the relaxation allowed for deferment in repayment of principal amount for one year for corporate, consumer, agriculture, SMEs and microfinance sectors, will now be available on financing of banks/DFIs under SBP's refinance schemes as well. With this deferment of principal, the complete repayment schedule/tenor of the loan will be extended by one year. The borrowers will, however, continue servicing their mark up during the period of principal deferment. In case borrowers are not able to service mark-up payment, banks/DFIs may reschedule/restructure the loan in such a manner that tenor of the loan can go up to one year beyond the existing maximum tenor of the respective scheme. Borrowers of SBP's following refinance schemes and their Shariah alternatives would benefit from this relaxation:

- Long Term Financing Facility (LTFF)
- Financing Facility for Storage of Agricultural Produce (FFSAP)
- Refinance Facility for Modernization of SMEs
- Refinance and Credit Guarantee Scheme for Women Entrepreneurs
- Refinance Scheme for Working Capital Financing of Small Enterprises and Low-End Medium Enterprises
- Small Enterprise (SE) Financing and Credit Guarantee Scheme for Special Persons

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