



STATE BANK OF PAKISTAN
Infrastructure, Housing & SME Finance Department
I. I. Chundrigar Road
Karachi

IH&SMEFD/SMEFD/2020-6753

May 12, 2020

The President / Chief Executive Officer
AlBaraka Bank (Pakistan) Limited
162, Bangalore Town
Main Shahrah-e-Faisal
Karachi.

Implementation Plan for Risk Sharing Facility under SBP Rozgar Scheme

Dear Sir/Madam,

As you are aware, SBP has undertaken a number of initiatives to combat the effects of COVID-19 including issuance of 'Refinance Scheme to support employment and prevent lay off of workers' (Rozgar Scheme). The Scheme is aimed to address the cash flow constraints of the employers and thereby avoid layoffs of employees and workers. In order to incentivize banks in extending loans to collateral deficient SMEs and small corporates, State Bank of Pakistan with funding support from Government of Pakistan has also introduced Risk Sharing Facility (RSF) which has become effective from May 6, 2020. Under RSF, Federal Government will bear 40% first loss on principal portion of disbursed loan portfolio of the banks. This facility will incentivize banks to extend loans to collateral deficient SMEs and small corporates with sales turnover of upto Rs 2 billion to avail financing under SBP wages scheme. In this respect specific limit under RSF has already been allocated to your bank through a separate letter.

2. In order to enhance utilization and create awareness about the RSF, your bank is advised to take following measures:

- i. Concerned Group Head should send email and SMS to branch managers/relationship managers apprising them about key features of RSF along with instructions to facilitate potential borrowers under the scheme.
- ii. Information about RSF should be displayed on your banks' ATM screens.
- iii. Bank should ensure awareness creation through effective use of print, electronic & social media/website.
- iv. Standees containing key features of the RSF should be placed at main branches/dedicated SME branches. Moreover, printed brochures and pamphlets on RSF should also be made available at such branches.
- v. An SMS highlighting RSF features should be sent to all business clients who maintain deposit accounts.
- vi. Awareness sessions with local chambers, trade associations, SME associations and other respective forum should be organized in various regions.
- vii. The bank should set internal targets under this facility for the business teams.
- viii. In order to address issues faced by the businesses, since a focal person is also being nominated from each SBP BSC Office across the country, you are requested to nominate a focal person of sufficient seniority in each region where SBP-BSC Offices are located. The name and contact details of such focal persons should immediately be submitted to the concerned Chief Manager of SBP BSC Office.



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3. Considering the sensitivity of the prevailing COVID-19 situation, you are requested to take personal interest in the matter and advise the concerned Group Heads of your bank to ensure meticulous compliance of the above mentioned instructions for enhancing disbursement under RSF.
4. Further, for transparency purpose, SBP will publish on its website, bank-wise aggregate data of RFS on weekly basis for information of general public.

Yours sincerely,

(Dr. Mian Farooq Haq)
Director