



Regulatory Relief Package for Borrowers

In order to dampen the adverse effects of COVID-19 and to support the borrowers for sustainability of their business units, SME Bank Ltd has launched SBP Relief Package offering to its borrowers certain relaxations in repayments of financial obligations. Salient features along with brief procedures are outlined hereunder:

1. Eligibility / Applicability:

The subject regulatory reliefs are applicable for all types of financing facilities including disbursed under SBP Refinance Schemes as well as availed by SMEs / Corporate entities. The aforesaid relief package shall not be applicable on non-performing loans as of **31-Dec-2019**. The aforesaid regulatory relief will not be admissible for financing facilities disbursed after the date of relief's announcement made by SBP.

2. Repayment Deferment

- a. Eligible borrowers can apply for deferment of repayment of principal finance amount up to one year, provided that they will undertake to continue to service the mark-up amount as per agreed terms & conditions. Eligible borrowers must submit written request for requisite regulatory relief before expiry of **30th June 2020**. SME Bank will convey its decision to the borrower within 15 working days after the receipt of the written request. The above mentioned deferment will not affect the credit history of the borrower and accordingly will not be reported in the eCIB as 'restructuring'.
- b. The financing facilities of such borrowers who have requested for deferment of principal amount repayment as mentioned at 2 (a) above shall not be classified unless the payment obligations are **past due by 180 days**. If the repayment deferment of principal amount is not executed successfully within the specified period of 180 days past due, such financing facilities be classified as per prevailing instructions of respective PRs for financing to SMEs & corporate entities.

3. Rescheduling / Restructuring:

- a. The financing facilities of such borrowers, which are unable to service the mark-up amount or need deferment exceeding one year, may be rescheduled / restructured upon their request. The eligible borrower has to submit application much before reaching his financing facilities 180 days past due or expiry of March 31, 2021, whichever is earlier, enabling the bank to execute the rescheduling / restructuring of financing facilities before reaching his account 180 days past due or expiry of 31 March 2021, whichever is earlier.
- b. If the rescheduling / restructuring is done within 180 days of the loans being past due, such financing facilities will continue to be treated as regular and reported in the ECIB accordingly.

These arrangements shall stand expired on March 31, 2021 and afterwards prevailing instructions on the subject shall be applicable. For more details, contact your branch please.