Product Features

I-SAAF is an initiative by the SBP in collaboration with the Government of Pakistan with the express aim of enabling Small and Medium Enterprises (SMEs) who cannot offer security / collateral to access bank finance. I-SAAF is named, ‘I-SAAF’ to emphasize the SME facilitation feature of this scheme to provide clean financing i.e. financing without security and collateral to SMEs.

**Underlying Islamic mode offered under I-SAAF**

Musawamah, Diminishing Musharakah, Istisna, Tijarah, Alfalah Islamic Fleet Financing (AIFF).

**Basis for Pricing/ return:**

End-user pricing rate for eligible SME customers is 9% p.a.

**Maximum Financing Limit:**

Maximum financing limit for single SME or a group of SMEs owned by same owner/(s) (i.e. group/associated/sister concerns) is capped at Rs 10 million.

**Tenor:**

Maximum tenor of financing extended to the customer will be as per terms & conditions of underlying financing product facility approved by the bank.

**Security and Collateral:**

‘I-SAAF’ to emphasize the SME facilitation feature of this scheme to provide clean financing i.e. financing without security and collateral to SMEs. Financing are to be secured against personal guarantees of the Customers.

Product Type

**Type of Product:**

SME

Eligibility Criteria

All SMEs (new business as well as operative businesses) not having existing financing relationship with Bank Alfalah Islamic will be eligible. Facility can be availed from one participating Bank only.

Documentation Required

As per approved Underlying financing product documents offering bank wide.

**I-SAAF SALIENT FEATURES**

Government of Pakistan will provide risk coverage on first loss portfolio basis as follows:

* + Financing up to PKR 4M: 60% || From PKR 4-7M: 50% || From PKR 7-10M: 40%
  + The risk coverage will be valid for a period of four years from launch of I-SAAF scheme, in order to suitably cover financing extended during third year of the I-SAAF scheme.