**Product Overview:** Prime Minister’s Kamyab Jawan Youth Entrepreneurship Program (PMKJ-YES) is an initiative by the Government of Pakistan to motivate the country’s youth to utilize their entrepreneurial skills and contribute in economy’s growth.

**Underlying Islamic Mode of Financing:**

Following modes of financing for each financing category shall be offered:

|  |  |
| --- | --- |
| Long Term Financing | Diminishing Musharakah (DM) |
| Financing of Vehicles | Diminishing Musharakah or any other mode as approved subsequently. |
| Working Capital Finance | Musawamah, Istisna or any other mode as approved subsequently. |

*Locally Manufactured Vehicles for commercial use only.*

***Type of Product:***

*SME*

**Financing size**

*Size of the financing, segregated into three tiers, are as under:*

|  |  |
| --- | --- |
| ***Tier 1 (T1) Financing*** | *Rs. 100,000 to Rs. 1 million* |
| ***Tier 2 (T2) Financing*** | *Above Rs. 1 million and up to Rs. 10 million* |
| ***Tier 3 (T3) Financing*** | *Above Rs. 10 million and up to Rs. 25 million* |

**Basis for Pricing:**

|  |  |  |
| --- | --- | --- |
| Tier | Limit Caps (PKR) | Pricing |
| Tier 1 (T1) | 0.100M to 1.000M | 3.00% p.a. |
| Tier 2 (T2) | > 1.000M to 10.000M | 4.00% p.a. |
| Tier 3 (T3) | > 10.000M to 25.000M | 5.00% p.a. |

**Debt to Equity Ratio:**

|  |  |  |
| --- | --- | --- |
| Type | Tier 1 | Tier 2 & 3 |
| New Business | 90:10 | 80:20 |
| Existing Business | Nil\* | Nil\* |

**Security Requirements:**

**Security arrangements will be as under:**

**·        T1 Financing: Clean; however only personal guarantee of the customer**

**·        T2 & T3 Financing: As per bank’s own credit policy**

**·        Vehicle financed under T1, T2 and T3 to serve as collateral**

**Charges**

As per prevailing Bank’s SOC to be charged for underlying financing products

**Tenor:**

As per the PMKJ-YES Program, tenor of financing shall be up to 08 years with maximum grace period up to 01 year.

**Portfolio Loss Sharing by Government**

On behalf of Government of Pakistan, State Bank will make payment of 50%, 20% &10% credit losses of outstanding principle portion only for Tier 1, Tier,2 & Tier 3 respectively.

**Eligibility Criteria**

All Pakistani citizens, holding valid CNIC with entrepreneurial potential are eligible.

In case of individuals or sole proprietor, age should be between 21 years to 45 years. However, in case of IT or E-Commerce related business, lower age limit will be 18 years.