PAKISTAN MORTGAGE REFINANCE COMPANY

REQUEST FOR PROPOSAL

SUPPLY, INSTALLATION, TESTING AND COMMISSIONING OF END TO END CREDIT APPLICATION FOR LOAN ORIGINATION SYSTEM (LOS), CREDIT APPROVALS & RELATED PROCESS, RISK MANAGEMENT (LIMITS MANAGEMENT, RATINGS, FINANCIAL ANALYSIS & RISK MONITORING REPORTS), LOAN MANAGEMENT (CUSTOMER & LOAN ID CREATION, TRANSACTION RECORDING, MARK-UP CALCULATIONs, ACCURUALs, COLLECTION & MONITORING REPORTS), COLLATERAL MANAGEMENT & RELATED MONITORING AND CREDIT ADMINISTRATION SYSTEM

Pakistan Mortgage Refinance Company (PMRC) invites sealed Proposals from the Contractors/Contracting Firms who are registered with the Government departments, shall be eligible to participate in the proposal.

Proposal Document in the above can be obtained from Administration Officer, Pakistan Mortgage Refinance Company, Finance and Trade Centre, 4th Floor, Block A, Shahrah-e-Faisal, Karachi-74400, Pakistan (Phone No. +92(21)35633366-68-Ext-116 or can be downloaded from PMRC's website (www.pmrc.com.pk).

The bid/quote to be submitted in a sealed cover duly signed & marked with the subject and dropped either personally or sent through registered Post/Couriers so as to reach the office of PMRC on or before Wednesday, the 31st March 2021 12:00 Noon.

Conditional, incomplete proposal or Bidder(s) who do not fulfil the above-mentioned requirements shall be considered as non-responsive. Further, personal canvassing or recommendations will also disqualify the Bidder(s). Bid(s) /quote not submitted on PMRC's format/BOQ will be rejected. No Proposal document shall be sold on the date fixed for opening of the proposal.

Mohammad Imran

Officer Administration

+92(21)35633366-68-Ext-116

PMRC
PAKISTAN MORTGAGE REFINANCE
COMPANY LIMITED

Request for
Financial & Technical Proposal Documents
For Selection of Supplier under Two Stage Bidding Process

Purchase/Customization/Implementation of

End to End Credit Application for Loan Origination System (LOS), Credit Approvals & related process, Risk Management (limits management, internal ratings, financial analysis & risk monitoring reports), Loan Management (customer & loan id creation, transaction recording, mark-up calculation, accruals, collection and monitoring), Collateral Management, valuation & related monitoring and Credit Administration System

for

Pakistan Mortgage Refinance Company

Comprising the following Services/Products:

Implementation of Software Application(s) and related Licensed Software

Contents

Section 1: Request for Technical Proposals (RFPT)

1. Pakistan Mortgage Refinance Company (PMRC) intends to Purchase/Implementation of "End to End Credit Application for Loan Origination System (LOS), Credit Approvals & relate process, Risk Management (limits management, internal ratings, financial analysis & risk monitoring reports), Loan Management (Customer & Loan/transaction ID creation, transaction recording, mark-up calculation and accruals, collection and monitoring), Collateral Management, valuation, related monitoring and Credit Administration"   for which Proposals are invited from eligible bidders. More details on the services are provided in the Request for Technical Proposal Document

2. Interested prospective bidder must be either principal manufacturer or an authorized international/local partner offering total solution with a documented track of completing at least 3 similar assignments, involving the analysis, design, development, installation and support of similar functional/technical characteristics and of a comparable scale. Should be providing after sales technical support through maintenance contracts/service level agreements to at least 2 such supplies stated earlier. The minimum required annual volume of supplies in any of the last five (5) years shall be Rs. Fifty (50) millions along with the evidence by providing last 5 years turnover. The interested prospective bidder should have verifiable presence/support/branch office in Karachi manned by experts with internationally recognized certification and should be in the active tax payers list. The bidder should also provide last financial statement duly attested by the Proprietor.

3. A firm will be selected using Two Stage Bidding process in accordance with the policies of the Pakistan Mortgage Refinance Company which also conform to procedures described in this RFTP,

4. Pakistan Mortgage Refinance Company now invites eligible suppliers to submit a technical proposal and financial proposal with price (including all the related taxes) in two different sealed envelopes. Interested eligible suppliers may obtain Request for Technical Proposal Document from Administration Officer, Pakistan Mortgage Refinance Company, Finance & Trade Centre, 4th Floor Block – A, Shahrah-e-Faisal, Karachi-74400, Pakistan (Phone No. +92(21)35633366-68-Ext-116. RFTP can also be downloaded from PMRC's website: http://www.pmrc.com.pk.

5. Technical Proposals must be delivered to the above office on or before 1200 hours on March 31st 2021.

    Participating firms must inform in writing at the address mentioned above.

Mohammad Imran
Officer Administration
+92 (21) 35633366-68-Ext-116
muhammad.imran@pmrc.com.pk

Section 2: Instructions to Prospective bidders

1. Scope of Bid

    1.1   PMRC, invites Technical Proposal for the supply, installation, testing, customization and commissioning of the End to End Credit Application for Loan Origination System (LOS), Credit Approvals & related process, Risk Management (limits management, internal ratings financial analysis & risk monitoring reports), Loan Management (customer & loan id creation, transaction recording, mark-up calculation, accruals collection and monitoring), Collateral Management, valuation and related monitoring and Credit Administration System", as described in the Section 3: Technical Data Sheet (TDS) and Section 4: Project Description.

2. Fraud and Corruption

    2.1   It is PMRC's policy to require that Bidders, Suppliers, Contractors, and Consultants, observe the highest standard of ethics during the procurement and execution of such contracts. In pursuit of this policy, PMRC will follow the instructions which defines as:

- " corrupt and fraudulent practices" includes the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official or the supplier or contractor in the procurement process or in contract execution to the detriment of the procuring agencies; or misrepresentation of facts in order to influence a procurement process or the execution of a contract, collusive practices among prospective bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the procuring agencies of the benefits of free and open competition and any request for, or solicitation of anything of value by any public official in the course of the exercise of his duty;
- "PMRC can interalia blacklist prospective bidders found to be indulging in corrupt or fraudulent practices. Such barring action shall be duly publicized. Provided that any supplier or contractor who is to be blacklisted shall be accorded adequate opportunity of being heard".

    2.2   Bidder undertakes to sign an Integrity Pact in accordance with prescribed format, to be provided with Bidding Documents to be issued in second stage for all the procurements estimated to exceed Rs.10.00 million or any other limit prescribed by PMRC.

3. Eligible Bidders

    3.1   Except as provided in ITPB Clauses 3.2 and 3.3, this process is open to all manufacturer or their authorized suppliers duly registered with various tax authorities.

    3.2   In either case, Joint Ventures which include members from ineligible source countries or ineligible firms shall not be permitted to bid.

    3.3   Firm engaged by the PMRC to provide consulting services for the preparation of the design, specifications, and other documents to be used for the procurement of the Information System described in these documents will not be eligible for bidding.

3.4   Prospective bidders shall provide such evidence of their continued eligibility satisfactory to the PMRC, as the PMRC shall reasonably request.

4. Qualifications of the Bidder

4.1   By submission of documentary evidence in its bid, the Bidder must establish to the PMRC's satisfaction:

(a)   That it has the financial, technical, and production capability necessary to perform the Contract, meets the qualification criteria specified in the Technical Data Sheet (TDS), and has a successful performance history. If a pre-qualification process has been undertaken for the Contract(s) for which these Bidding Documents have been issued, the Bidder shall, as part of its bid, update any information submitted with its application for pre-qualification;

(For the purposes of establishing a Bidder's qualifications, and unless stated to the contrary in the TDS, the experience and / or resources of any Subcontractor will not contribute to the Bidder's qualifications. In case of Joint Venture, the qualification of only principal firm in a Joint Venture will be considered.)

(b)   that, in the case of a Bidder offering to supply those key services of the software/application identified in the TDS under the Contract that the Bidder did not itself develop or otherwise produce, the Bidder has been duly authorized by the Manufacturer or producer to supply those components in Pakistan. (This will be accomplished by submission of Manufacturer's Authorization Forms, as indicated in the section entitled Sample Forms); and

5. Cost of Preparing Technical Proposals

The Prospective Bidder shall bear all costs associated with the preparation and submission of its bid, and PMRC will in no case be responsible or liable for those costs.

6. Language of Technical Proposal

The bid prepared by the Prospective Bidder and all correspondence and documents related to the bid exchanged by the Prospective Bidder and the PMRC shall be written in English

7. Documents Comprising the Technical Proposal

The Technical Proposal submitted by the Prospective Bidder shall be duly completed and signed by a person or persons duly authorized to bind the Bidder to the Contract; and be in format provided at Section 5: Technical Proposal Submission Form

8. Deadline for Submission of Technical Proposals

8.1   Technical Proposal must be received by PMRC at the address specified in the TDS no later than the time and date stated in the TDS.

8.2   PMRC may, at its discretion, extend this deadline for submission of proposal in which case all rights and obligations of PMRC and prospective bidders will thereafter be subject to the deadline as extended.

9. Technical Proposal Review Meeting (TPRM)

The technical proposal would interalia be discussed with the interested prospective bidders regarding any deficiencies and unsatisfactory technical features. TDS would provide the schedule of such meeting and it would be mandatory on the prospective bidders or their representatives to attend such meeting.

10. Development of Revised Technical Specifications & Submission of Bids

Following from discussions of TPRM and the evaluation and assessment by PMRC the original Technical Specifications and evaluation criteria would be revised, deleted, modified or added with new aspects requirement.

Such revisions, deletions, modifications or additions would be communicated to all the prospective bidders equally at the time of invitation to submit bids, and sufficient time would be allowed to the prospective bidders to prepare their bids; which would not be less than fifteen days in the case of national competitive bidding and thirty days in the case of international competitive bidding

11. Project Implementation / Management Plan

The firm shall provide a detailed implementation plan and project management plan. Firm should provide the **timeline**. Firm should cover **tasks assigned to the employees and resource allocation** of responding organization during the course of the project. This should not be in generic terms but should be specific to the project. Project plans in tabular form, mentioning names of tasks, sub tasks, start date, finish date, resources and milestones will also be appreciated. In the training category, firm to provide detailed training schedules along with the names of resources.

12. Deliverables

The firm should clearly mention and list all the deliverables to be completed under the proposed project. All architectural deliverables must comply with industry standards. Generic project deliverables are defined in the PMRC Method, of which an overview is given below:

Solution Architecture	Functional Model
	Architectural Decisions
Additional Deliverables	User Manual
	Operations Manual
	Deployment and Installation Manuals
	Entity Relationship Diagram (ERD)

13. Currency

All currency in the proposal shall be quoted in Pakistan Rupees (PKR).

14. Withholding Tax, Sales Tax and other Taxes

The interested firms are hereby informed that the PMRC shall deduct applicable tax(es) at the rate prescribed under the tax laws of land, from all payments for services rendered by any firm who signs a contract with the PMRC. The firm will be responsible for all taxes levied by government from time to time.

15. OEM relationship and warranties

- The firm should be authorized Partner, **FROM THE ORIGINAL MANUFACTURER** for provided licensed software or Manufacturer who has copy Rights of the solution.
- All Software should be warranties for at least **one years** against defects/bugs as well as updates.
- Source Code of the Software shall be deposited with a third party (by Escrow Agreement), which shall be shared with PMRC if and when the specified conditions of the contract are not met by the firm.

16. Arbitration

Any difference or dispute or liability of whatsoever nature arising out of the contract or in any way relating to the contract or to its construction or fulfilment should be settled as far as possible, amicably between the Buyer and Seller. Should the parties fail to come to an amicable settlement the same shall be referred to the award of Arbitrators to be nominated one each by the Seller and the Buyer within fifteen days of notice from either side or in the case of the said Arbitrators not agreeing, then to the award of an Umpire to be appointed by the Arbitrators in writing prior to proceeding with the arbitration. The decision of the Arbitrators or the Umpire, as the case may be, shall be final and binding on both the parties. The arbitration shall take place at Karachi, under Pakistani Law of Arbitration.

17. Milestones & Payment Schedule

17.1 This section contains the payment schedule associated with milestones defined for the project. The milestones defined here have been taken from the standard milestones defined for the lifecycle of a Solution in the PMRC Method

S. No.	Milestone	Time Period	Payment
(i)	Mobilization Amount	2 weeks after signing of Contract.	10%
(ii)	Implementation of All Modules	16 Weeks from Signing of Contract.	35%
(iii)	Testing & Data Migration	2 weeks after implementation.	10%
(iv)	Submission of Documents/Manuals	2 weeks after implementation.	10%

(v)	Training (End User & Technical)	3 weeks after implementation.	15%
(vi)	After Testing, Rollout & Offsite Backup/Training for two weeks	One week after Technical Training.	20%

17.2.   The seller shall submit the following documents to process the payment: -

- Seller's Invoice.
- Warranty Certificate to be issued on Stamp Paper, along with signed copy of document, as per Contract.
- Copy of Sales Tax Certificate.
- Copy of Income Tax Certificate / NTN Certificate.

18. Evaluation Criteria

Technical proposals will be evaluated on the basis of Scoring Criteria as provided on Form III. Financial proposals would be opened only for those offerors obtaining 50% or higher marks in Technical Evaluation.

Financial proposals of those offerors obtaining less than 50% marks in Technical Evaluation shall remain un-opened & would be returned to the offerors.

Final assignment award will be on the basis of combined technical and financial score in the following manner:

PROPOSAL	WEIGHT
Technical	70%
Financial	30%
TOTAL	100%

Section 3: Technical Data Sheet

The following specific information relating to the System to be procured and the procurement procedures that will be used shall complement, supplement, or amend the provisions in the Instructions to Prospective Bidders (ITPB). Whenever there is a conflict, the provisions in the Bid Data Sheet (TDS) shall prevail over those in the ITPB

ITPB 1.1	**Description of the System for which Technical Proposals are invited:** Setup of Business Application Supply, Installation, Configuration, Customization, Integration and Support for Pakistan Mortgage Refinance Company.
ITPB 4.1 (a)	Qualification requirements for prospective bidders are: Interested bidder must be either principal manufacturer or an authorized international/local partner offering total solution with a documented track of completing at least 3- 5 similar assignments, during last 7 (Seven) years, involving the Analysis, design, development, installation and support of similar functional/technical characteristics and of a comparable scale. Should be providing after sales technical support through maintenance contracts/service level agreements to at least 2-5 such supplies stated earlier. The minimum required annual volume of supplies in any of the last five (5) years shall be Rs. Ten (10) million. The interested bidder should have verifiable presence/support/branch office in Karachi manned by experts with internationally recognized certification.
ITPB 4.1 (b)	Manufacturer's Authorizations for Information Technologies except for those technologies which the Bidder itself manufactures - are required for the following types/categories: "*all software*"
ITPB 8	Proposals should be submitted by 12:00 Hours on Wednesday March 31st 2021 at PMRC.

Section 4. Project Description

Objective:

The objective of this project is to devise a plan, supply, install, test, configure and commission the software/application package/resources, train and handover the System/solution to PMRC as mentioned in Specifications as given in Section '5'.

Scope of the Project:

The selected bidder will be required to understand and analyze PMRC's overall business applications setup requirements and devise a solution by using the given information in the Requirement Specifications, however any further information if enquire by the participants to prepare a best possible solution, that should encompass all the requirement as mentioned in the "Technical Requirement Specifications". The solution should include both required packages of complete software and the requisite Hardware specifications and associated accessories fulfilling its objectives. The application will be installed on the servers placed at Data centre of PMRC.

* Suggest software or package or suite of application containing various modules to manage and maintain systems, databases and applications as mentioned in "Technical Requirement Specifications".

* Supply, install, customize and locally develop (if required for certain system/systems, applications or its databases or functions) software, its suites, applications or module on servers according the requirements of PMRC.

* Train PMRC related staff for entire application modules and usage from well trained, certified and experienced engineers and trainers at fully equipped training centre.

* The proposed solution must be state of the art, dynamic, best fit in the PMRC networking arrangement and scalable to add new modules or suite of application and capable to support newer version of software applications, database and hardware makes & models.

Project Completion Timeline:

The project will be completed within 16 weeks after the signing of the contract including the delivery and installation of all required components. It does include in the period of handholding of one month as mentioned above.

Warranty

The selected bidder should warrant that the solution is legal and can be installed on current models of servers and those they incorporate all recent improvements in design and materials unless provided otherwise in the procurement contract.

The warranty should remain valid for at least 01 year' after the installation of the products. The supplier will provide full support during the warranty period including the technical support.

The Selected bidder should guarantee and be responsible for the quality of their product or service, and for ensuring that it provides a full working solution to meet PMRC's initial and long-term requirements.

Where specialist hardware and third-party software is required, selected bidder should comment on how the continuity of service is ensured in the event of:

1- Unavailability of second or third level support services from developers of third-party software items.

2- Please detail the warranty periods for:
   - the initial solution including software/application (purchased as a product or as a result of development work constituting the solution)
   - Upgrades of software/application (purchased as a product or as a result of development work constituting the upgraded solution).

Maintenance Support during after Warranty

This should include the Support and maintenance of complete application and its modules software or packages including upgrade and patch serving supplied by the selected bidder.

The supplier will provide full support during and after the warranty period including the technical support as per the reporting time.

Required Service Level

- **Severity 1 (Red)** — The complete application is down due to a very critical or total hardware or software or its component failure and which has a critical impact to the monitoring operations of PMRC and consequently on the PMRC's business operations.
- **Severity 2 (Orange)** — Operation of one or more components of the application or any of its module are down, severely degraded, or significant aspects of PMRC business operation are negatively affected by hardware/firmware/software/application failure or inadequate performance of the product/products.
- **Severity 3 (Green)** — Operational performance of the supplied application is compromised while most operations remain functional. Information or assistance is required with the supplier/manufacturer of product capabilities, installation, or configuration or problem rectification. There is little or no effect on operations.

Site	Reporting time	Red Level	Orange Level	Green Level
Karachi	0800 hours to 2000 hours – 6 hours Otherwise – Next business day	• Analyze, troubleshoot, resolve the issue within 24 hours by on-site certified engineer. • Fix the software related issue configuration within 24 hours. • 24-hour local support from supplier and international support from expert technicians via internet or phone/fax till the problem is completely resolved or backup is provided and restored. • Technical assistance via Manufacturer website or on telephone if supplier is unable to resolve the issue within 12 hours.	Analyze, troubleshoot, resolve the issue within 72 hours by on site certified engineer. • Fix the software related issue configuration within 72 hours. • Technical assistance via Manufacturer website or on telephone if supplier is unable to resolve the issue within 48 hours.	• Analyze, troubleshoot, resolve the issue within 3 weeks of the fault reported. • All firmware/software updates, solution and upgrades within 2 weeks to fix this issue or on purchaser request. • Technical assistance via Manufacturer website or on telephone if supplier is unable to resolve the issue within 48 hours.

Section 5

(Technical Specifications)

Pakistan Mortgage Refinance Company has setup its office at Finance & Trade Centre, 4th Floor Block – A, Shahrah-e-Faisal, Karachi-74400, Pakistan. Operating in only one office having no branch office needs a completely new business application solution for End to End Credit Application for Loan Origination System (LOS), Credit Approvals & related process, Risk Management (limits management, internal ratings financial analysis & risk monitoring reports), Loan Management (customer & loan id creation, transaction recording, mark-up calculation, accruals collection and monitoring), Collateral Management, valuation and related monitoring and edit Administration System All critical core business functions of the organization are dependent upon the availability and continuity of IT services and Business Application.

The proposed project is the implementation of Company-Wide (Centralized) Financial and Treasury System that is to be deployed and used in the Offices of Pakistan Mortgage Refinance Company (PMRC).

The system will function over Local Area Network / intranet in PMRC Office. The system will also be integrated with the existing website of PMRC to facilitate incorporation of real-time facts & figures like financials, value of investments.

These will all be hosted in the Data center at PMRC and will be having a replica at the disaster recovery site.

To provide the necessary levels of support and maintain the business application, it is essential to constantly monitor and manage the application setup, design and implement on regular basis.

Company Introduction & Scope of Document

Introduction

Pakistan Mortgage Refinance Company (Company) was set up as a Mortgage Liquidity Facility by the State Bank of Pakistan to address the long-term funding constraint in the banking sector; which was hindering the growth of the primary mortgage market. PMRC will serve as a secure source of long-term funding at attractive rates and at the same time ensuring sound lending habits amongst the primary mortgage lenders (PMLs) (Banks, Development Financial Institutions, Micro Finance Banks, Micro Finance Institutions, Housing Finance Companies and other NBFIs doing housing finance business).

PMRC will play a key role in providing wholesale funding to both conventional and Islamic PMLs and it will endeavor to encourage and collaborate with PMLs to provide more housing loans in Pakistan.

As one of the Company's principal source of funding is generating funds through local bond market by issuing TFCs and Sukuks; another important objective of the Company is to pioneer the development of the local bond and sukuk markets.

Scope

1. The document is designed keeping in view the business model and work requirements which encompasses the following basic requirements not limited to Installation, customization, configuration and maintenance of the software required for a Loan Origination System (LOS), Approvals, Collection and Credit Administration System;

   - Loan processing workflows from credit approval to disbursement and post disbursement monitoring
   - Support origination channels.
   - Support different loan products and loan types concerning to PMRC business.
   - Loan type parameters and constraints definition.
   - Transaction recording, accruals markup calculation and monitoring
   - Interface to external systems.
   - Risk Management and related reports. Provide internal credit checking, credit scoring, rating, financial analysis and compliance check
   - Generate letters and forms automatically
   - Application details and status enquiry
   - Document imaging and archiving
   - Reporting
   - Ability to manage internal and external contact information
   - Ability to log and timestamp activities for audit purposes
   - Collateral Management and monitoring (Comprehensive security framework)
   - Ability to generate and review the verifications in Worklists
   - Collections System to manage end to end collections/recovery
   - Credit Administration System

- Ability to configure the Allocation rules for Internal and External agencies
- Robust MIS / Reporting module to review performance of various portfolio reports.

2. Parameterization, historical data management, verifying data quality, migrating data, user acceptance testing, documentation, knowledge transfers and support

3. Interfacing with other external systems including Bond, Treasury and GL solution, validation of models and processes and maintenance of application software, system software, database, interfaces etc.

4. Assistance in supply, installation and maintenance of related hardware at Primary, Near-by and Disaster recovery data centers.

5. Providing training to designated personnel and also provide Modular wise user manual as well as administrator's manual, post-implementation on-site support for 3 months from GO LIVE date and further support till the end of agreed Installation and Development period.

System Functionality

Category	Requirement
General	System should be able to segregate business portfolios; • Conventional • Islamic
	The system must be able to define loan portfolios like • Refinance • Pre-finance • Program Based Lending • Various other product variants such as Business as Usual (BAU), Low Income, Middle Income and capacity to define any other product in future.
	System should support master data management of various factors like geographical regions, business units, clients etc. along with multiple currencies.
	Ability to Interface with: Multiple host systems / Treasury/ Bond/ GL Application/ RTGS.
	Should be able to read files on predefined formats
	The system should be able to integrate with document imaging systems, thus facilitating the rapid movement of applications across the processes without the need to paper flow.
	System should have Flexibility through extensive Parameterization, Workflow and Configuration of Rules of Obligor Risk Rating (ORR) Model and IFRS – 9 ECL Calculations
	It should be possible to extract any or all data for further analytical functions or for other purposes for end users or other systems in Company.
	Solution should facilitate upload of information through batch files containing the application details.
	User definable rules for scoring, dedupe, eligibility, customer exceptions etc. using rule builder
	System should be capable of supporting upgrade/ downgrade and accordingly interface with the Treasury, Bond and GL system for customer details.
	The system should provide ability to: Record all user activities with audit trail
	It should be possible to derive application numbers as per the existing numbering rules
	Capture the financial data of the customer (current, previous and projections)
User Management	A function that allows the correct level of user to add new users and remove users.

		A function that allows the correct level of user to modify the access a user requires.
		Facility to add users to designated business unit
		System should be able to assign roles to users depending on functional responsibilities. Assess and rights for the information should be linked at user level.
		The system should include ensuring field level security in all screens, depending on security group / level of each user.
	Workflow & Allocation	The system should have the capability to allocate particular applications to particular approvers. Further, there should be a queuing system that has the capability to allocate based on defined logic.
		Ability to define role, profile, level, business unit, location based allocation rules for each user.
		Ability to reallocate or reassign cases form one user to another
		The queuing feature should include the ability for escalation to higher supervising authority in case the application has aged without any activity for a specified period.
		Ability to define SLA, TAT rules for each activity in the workflow
		Ability to have different workflows for different credit lines, and products based on the current process of the Company. Interact dynamically between the rules engine and the queuing process to move across queues based on process results at each stage of credit processing.
		System should have provision of maker checker facility for different activities like data entry, documents, approval based on risk segment
		Ability to allocate automatically to each user based on role and also to a pool/team so that the available users can select case to work on
	Agency Management	Ability to allocate relevant cases to these external agencies and give controlled access to work or give them facility to upload their reports
	Application Input and Tracking	Web based application form for customers to input data, generate new application, upload documents, check status and communication between customer and Company.
		System to have electronic forms for each credit product & business segments
		Ability to capture customer information (Financial and Non-Financial) as per Company's Loan Application Form, KYC Form, and other relevant documentation obtained.
		Ability to input varied loan application scenarios (e.g. varied loan amount, repayment terms, pricing (fixed, floating), tenors, lending covenants etc.)
		Should provide a space to provide additional information that may be relevant in making credit decision.
	Customer Management	System should have facility to validate the data being entered with validations like mandatory/non mandatory, format validations etc.
		Must generate a unique customer ID for every customer and loan number for every loan (transaction) and the application enquiry should be possible on specific keys such as ID number, account number, product reference number, name etc.

	The unique loan number generate should be easy to trace by the various users who may wish to search and track the application and can be queried by inputting customer's name or business registration number
	Allow syndication with other Financial Institutions
	System should allow automatic fetching of the customer data for an existing customer • Customer Profile • Customer type (For Example Bank, DFI, NBFI etc.) • Credit Limits • Exposure Details • Group Exposure (if any) • Existing Facility Details • Securities Pledged • Collateralization Levels
Credit Evaluation and Scoring	Customised Internal credit rating system for counterparties. The solution should provide flexibility in defining credit scoring rules / policies with different multiple combinations and base criteria.
	Ability to calculate the total credit score for particular customer as per set criterions. There must be no restriction on the number of scoring rules for each type.
	Ability to input financial data and use the same for scoring
	Developing customized risk scoring cards for the various customer segment
	The system should have the infrastructure to support rule based decisions enabling such rules to be written by user following company's lending policy.
Eligibility	Ability to define the customer eligibility rules based on different parameters
Financial Analysis	System should support financial analysis based on Company's ORR model
	System should have a Obligor Risk Rating (ORR) Model and Facility Risk Rating (FRR) Model.
	Ability to accommodate IFRS 9 ECL calculations
	System should allow defining specific financial ratios and their benchmarks, as selected and applicable to Company's business.
	Financial data for the customer can be uploaded using excel based files on the defined structures
	System should capture Number of years for which the data can be uploaded
	Data should be uploaded for "Audited/ Annual" as well as "Unaudited/ Quarterly" periods.
	The system should support sensitivity analysis where the User can modify the financial data to find out how the change will affect certain key financial ratios/indicators.

Credit Limits	Should show aggregate and segmented limits • Approved Limits • Utilized Limits • Remaining limits.
	System should be able to integrate with Treasury system (IPAMS) in order to ensure that per customer aggregate limit remains within limit.
	Should not allow any limit breach.
Document Management	Ability to define the documents checklist for an specific application type.
	Ability to track the receipt of Documents for an application
	Ability to upload documents against checklist in different formats like Doc. PDF, JPG, JPEG, PNG, GIF etc.
	Ability to Update, search and archive the documents
	Provide ability to user to defer, waive the documents based on customer request
	Ability to define mandatory, non-mandatory documents
	Ability to track documents stage wise
	Ability to have a verification of the documents by a different user
Exception Management	Ability to add certain actions/conditions if the application is not fully up to the mark for approval
	Generation of deviations automatically by the system and allocation to designated authority for approval
	Maker Checker process for approval
	Ability to generate Exception report.
	Ability re-routing the case to an appropriate officer in case of any changes or amendments to be made
	Ability re-routing the case to an appropriate officer in case of approval or rejection
User Workspace	User must be able to see all application he has to work on in a single view
	User should be able to prioritize his work by being able to filter applications based on certain parameters
	Supervisor user should be able to view records of his subordinates and be able to take actions on same
	User should be able to move application as per defined Approval matrix
	Should be able to track the level where the case is (escalation level tracking)
Term Sheet	Should have fields for inputting data to generate Term Sheet for customer
	Allow routing it to defined users and receive their acceptance.

	Allow printing, downloading and archiving
Credit Approval	Ability to define the sanctioning authority and automatic routing of the case
	Provide credit proposal space
	The system should aid credit decision making based on the proposal evaluation analysis and credit risk rating.
	Ability to allow authorized personnel to override system credit approval or rejection recommendations but with an audit trail that can be tracked
	Ability to route the case for committee approval.
	Ability to generate Credit Report
	Allow annual review of loan portfolio
	Ability to reject the application with reasons. The system should allow review of rejected applications through a screen that includes the reason for rejection
	Ability to review rejected applications for reopening in special cases
	Once an application for credit is closed, it should not be possible to change the data, except for certain non-critical fields.
Disbursement	Upon approval of loan by credit, customer loan application will move in que of Operations for disbursement of loan. Operations shall have the disbursement screen to put the approval terms and conditions in system. Find below the content of disbursement screen. 1. Customer Name 2. Customer loan number 3. Product type 4. Customer MRA limit (maximum exposure limit) 5. Customer Available limit (maximum exposure – availed facilities) 6. Loan amount for disbursement 7. Disbursement date 8. Tenor of loan 9. Pricing benchmark (e.g. KIBOR/PKRV/PIB) 10. Base rate 11. Spread (Risk Premium or Discount) 12. Instalment Repayment Frequency (with flexibility to calculate amount in leap year) 13. Re-pricing of loans in case of floating loans 14. Grace Period 15. Principal type (uniform throughout the tenor, bullet payment and staggered over the number of years) 16. Full disbursements and partial (tranche) disbursements 17. Floor and ceiling of loan 18. Count of collateral (mortgage loans, hypo, Government securities, lien over deposit provided as security) 19. Security margins / OC margins and hair-cut 20. Amount/valuation of security (Outstanding of mortgage loans provided as security)

21. Insurance Policy
22. Valuation Reports
23. Stock / Receivable Reports
24. Customer account details for fund transfer (RTGS number)
25. Check box for execution of legal agreements confirmation

Condition Check: System shall not allow disbursement if disbursement amount exceeding customer aggregate limit.

Repayment Schedule

Upon disbursement of loan, system will generate the repayment schedule based on the parameter given at the time of disbarment of loan.
System should be able to generate various repayment schedule (e.g. fixed rate schedule, floating rate, bullet maturity, principle scattered over number of years)

Loan Creation

Based on the disbursement conditions, system will create the customer loan account, will maintain loan profile and record all transactions of that account. System shall reflect accounting entries. Accounting entries will be posted in GL to record the loan.

System Accrual

Based on repayment schedule, system will calculate the accrual for loan on daily basis. System should also be capable to perform other relevant calculations required for computation of mark-up/profit based on conventional or Islamic methodologies.

End of Day

At the end of day, system will post the accrual on customer level in GL(Sidat Hyder GL).

Receiving of Instalment

For posting of instalment payment, screen will be available to post the received instalment. System will run the payment as per defined knock off sequence for principle and mark-up adjustment.
System should also post entries in GL for instalment effect on loan accounts.
System should keep complete record of repayment instalment date wise and shall maintain provided relevant details in MIS and on screen such as

- Loan Outstanding
- Remaining instalments
- Account status (Regular/overdue)
- DPD (days past due)
- Repayment behavior
- Etc.

	Aging of account
	System will maintain account aging i.e x days, 30, 60 90+ days based on the repayments made by the customer.
	Rescheduling/Restructuring of Loan
	System should be able to handle the rescheduling and restricting of loan.
	(Note: Interface between GL and credit system shall be through routing account.)
	Ability to enter or update disbursement details
	Have maker checker process and should follow disbursement approval matrix
	Facility to do multi tranche disbursement
	Can tag collaterals and provide its details
	The system should handle and generate Standard Loan Agreements likewise MRA, RA MMA, MA assignment deed, title transfer Agreement, letter of lien and set off etc.
Notification Management	Facility to provide real time notification on Email or letter.
	Ability to automatically send notifications of pending or incorrect documents to appropriate personnel.
	When an application is approved by a review and forwarded to the next person on the workflow, ability to send auto-notification via outlook to the receiving personnel to inform on applications awaiting actions.
	Ability to automatically notify or alert applicable credit officer when the loan is disbursed to the customer
	Ability to define templates for email or letters for notifications
Collateral Management	Ability to define different types of collaterals in the system along with relevant security margins, Over collateralization margins and haircuts as the case may be
	Ability to define different parameters of collateral in the system
	Collateral assignment date and authority
	Uploading of Collateral support documents
	Ability to change and/or release collateral
	Ability to calculate collateralization level and should be able to handle replacement and restitution process
	Reminder letters, Different notices etc. should automatically be generated by the system in accordance with defined parameters.
	Ability to show and segregate collaterals belonging to each customer. Multiple collaterals can be attached to single customer.
	Ability to define new portfolios and products along with their features.

Product Management	Ability to define pricing (fixed, floating) with different frequencies like yearly, quarterly and monthly along with ability to set up rules for risk based pricing
	Ability to define different amortization calculation methods, repayments methods, repayment variations.
	The system must have capability for pricing to be based on the tenor of the loan.
	In the event that a customer already has an existing loan, the system must have automated capability to settle the existing loan and generate a new loan application, with a consolidated balance of the new and old loan.
	Portfolio Segmentation to enable dynamically define portfolio segments by combining customer or account level characteristics and treating each of them differently.
Reports	Provide standard reports which are printable in pdf and exportable to Word or Excel. Operational reports formats provided in process flow (Annex) should be made available.
	System should be able to generate reports based on user selected fields
	Reporting presentation should involve graphs, numbers and trends
	System basic reports should involve; • Applications approved • Application declined • TAT reports • Applications pending Disbursement • Applications Pending documents • User Access Rights Report • Audit Report • User Login Logout Report
	Ability to define operational dashboards
Delinquency Management	Provides user definable criteria to qualify an account to enter into delinquency stage; • Period of default (Days past due and/or months) • Overdue balance • Accounts Going into NPL • Cancelled account • Called-off Loans
	Should provide ability to define rules for Event of Default or Special Events.
	Ability to classify and identify rescheduled or restructured loan
Collection	System should be integrated with company's GL (Sidat Hyder GL)so the Instalments received from customer can be tracked.
	System should contain repayment schedule of each customer.
	Instalments received from the customers should knock-off the outstanding and repayment schedule must be updated accordingly.

	System should generate alerts to Customer and Company for upcoming instalments atleast before 5 working days.
	Any due instalment from any customer should generate specific alert
Bond Payments	System should be integrated with company's Bond system so the amount payable to bond holders can be tracked.
	Ability to provide one window showing month wise Receivables from company's customers and Payables to company's bond holders.

Technical Requirements

Category	Requirement
Technology Features	- Web based solution. - User friendly Graphical User Interface - Highly parameterizable - Centralized Data Management - Loan process workflow reusability as per credit process. - The Data should be stored on servers with backups - There should be an "End of Day" and "Start of Day" feature/process by which all the entries for the day can be booked and no further activity can be performed for that date and the books can be closed. Furthermore, the financial entries can be seen in the existing integrated GL System (Sidat Hyder GL).
System Architecture	- The system should have a modular architecture – separate modules of the system should run independently. - System should be platform independent. - System should be available in browser-based environment - The architecture shall be platform independent should support Windows or other Operating systems with option of running on multiple web servers.
Ease of Use	- Quick and easy navigation - System should provide print facility i.e. print to file, print screen, print to printer etc. - System should have standard menu structure
Help Facility	- Provision of simple and interactive dialogues to obtain the desired information e.g. help facility - Help facility should explain probable causes of errors and possible solutions - Availability of documentation i.e. User Manuals, System management manuals, technical manual, training manuals
Scalability	- Without the necessity of re-writing code or undertaking other major efforts, the system should be easily upgradable to: - Increased Workload -Better Performance -Additional Users - Improved Network Capability - Scalability must be available in the form of horizontal as well as vertical scalability. - Solution should support application and database server clustering.
Interfacing/ Integration	- The system should have an import and export functionality to import and export transaction data and static data - The architecture shall provide support for Web-Services and messaging based interfacing - The architecture should support secure data exchange/ transmission. - The system should be able to interface with the Company's existing systems i.e., IPAMS, Sidat Hyder GL etc. - The system should allow for extraction of all data from the system

	• Integration/Interfacing should be facilitated across platforms • The system should interface with mail servers to generate notifications and auto-mailers
Error logs	• Application must handle and generate proper and meaningful error message and logs • User-friendly error messages to be provided. • The error logs should be descriptive enough to allow traceability of the data/function error to the most granular level.

Security management	• System should provide for creation, deletion and modification of users, upgrades of users and data access rights
	• The system should permit access only through password verification and all user IDs should be unique
	• There should be a maker-checker facility for key functions in the system.
	• The system should have the ability to generate a detailed audit trail on a daily basis for the following minimum features;
	
	   i) Attempted unauthorized logins
	   ii) Time of login and logout
	   iii) Change of passwords
	   iv) Change of parameters
	
	• The architecture shall provide with password encryption mechanism
	• The architecture shall support password encryption from client to server without requiring http(s)

User Management	• The system should allow users to be controlled by a specific administrator • The system should have the ability to provide or restrict access privileges based upon hierarchy and multiple criteria
Password management	• Minimum six lengths alphanumeric • Password Complexity • Password history to prevent reuse of password • Company defined password expiry period • Password encryption during storage and transmission • Automatic user disabling after three successive erroneous tries • The system should have the ability to force password changes every user defined period.
Audit trail	• The system should maintain the audit trail with details like WHAT, WHO and WHEN. • The audit trail should be at the granular level, and track the user across each activity.
Archival	• System should support archiving of data that are beyond a specified time horizon. • System should support data retrieval – from the specified archives. The archival and retrieval programs should facilitate easier analysis of old data.
Backup and Recovery	• The system should allow have a day-end back-up process • The system should also have recovery features in case of system failures

	• Back-up should be possible in external media (CD, tapes, DVD) for off-site storage • Export of data to secondary storage device should be supported by the system without down-time
Support	• There should not be any restrictions / conditions applicable, on the Support Arrangement, in case the Company do not opt for any higher version of the Solution, whenever it is available. • Software Escrow Contract • Software should include compatibility with higher version of Operating systems from time to time
Reporting	• Solution should provide report scheduler. • The architecture shall support generation & download of reports in doc, pdf, html, xml, rtf and MS Excel format • The architecture shall support drill down reports and generation of reports using charts. • Report Creation utility should be provided for the user to generate new reports.
MIS Dashboard	• Dashboard for different level of portfolio MIS on user level and management level

Hardware Requirements

The vendor must specify complete details of Hardware and other systems required for successful implementation of the offered Solution, in the following format.

S. No.	Item	Description	Requirement	Quantity
1	Hardware			
2	Operating System licenses			
3	Database licenses			
4	Third party utilities			
5	Any other requirement			

Note:

1) Cost of ETL (Extract, Transform and Load) tools as part of proposed solution should be borne by Vendor.
2) Please mention Make / Model (if any), type and number of processors, Memory, bus speed, hard disk & Operating System number of users (and Cals if required), license type, version etc.
3) Detailed Bill of Materials (Line item wise mentioning technical specifications) to be submitted for all the above modules.
4) Detailed Technical sheets of the above modules to be submitted.
5) Vendor to also provide detailed specifications for replication methodology for DR site.
6) The Hardware including storage and all necessary system software's licenses (Operating systems, Application & Web Servers, Database) will be procured by Company on its own procurement process.

Annexure

Company's current process flow

1. Exposure Limit Setting & credit approval process

2. Loan Application Form

3. Prerequisites of Master Refinance Agreement (MRA)

4. Preparation & Execution of MRA / RA

5. Application for refinance loan

6. Execution of Refinance Loan

7. Disbursement

8. Transaction recording, markup calculation and daily accruals

9. Repayments & Advances Treatment

10. Installments

11. Customer Reports

12. Analysis of Customer Reports

13. Management Reports

14. Annual Review & Ad-hoc Review

15. Annual Credit Limit Review

System should be able to address various process defined in Credit Policy, operations manual, credit manual etc.

Step 1: Exposure Limit Setting

Target Market

PMRC target market shall be Banks, DFIs, Micro Finance Banks (MFBs), Micro Finance Institutions (MFIs), Housing Finance Companies (HFCs) and any other regulated entity (either by SBP of SECP) involved in housing finance business

Credit Policy defines limit setting mechanism for different type of customers which are mentioned below;

Credit Limits for Banks & DFIs

The Credit Limits for Banks/DFIs shall, among other factors, are based on the lower of following two criteria;

- Credit risk assessment and scoring using Obligor Risk Rating (ORR) model.
- External ratings using SBP's PR Criteria.

A. ORR based Criteria

The Obligor Risk Rating (ORR) shall take into account the quantitative and qualitative factors as given in Appendix 2.

Following formula will be used under this criterion to calculate credit limits

Exposure Limit = PMRC Equity X Percentage of equity usage allowed as specified in the policy. Then divide the same by Weightages as specified according to the policy;

B. External Rating based Criteria

Following formula will be used under this criterion to calculate credit limits

Exposure Limit = PMRC Equity X Percentage of equity usage allowed as specified in the policy. Then divide the same by Weightages as specified according to the policy

C. Credit Limit for Micro Finance Banks

Credit limits for Micro Finance Bank shall be ascertained based on following criteria based on Obligor Risk Rating

D. Micro Finance Institutions(MFIs)/ House Finance Companies(HFCs) / Other NBFIs involved in Housing / Mortgage Business

The Credit Limits for MFIs/HFCs/NBFIs involved in housing business shall be based on criteria given on case to case basis.

Exposure Limit Approval Process

Business functions shall propose credits limits to Risk Management Group. All credit proposals shall be forwarded to Risk Management Group. RMG shall issue independent Risk Recommendations on each counterparty through CRMC to BRC and Board of Directors for approval.

Allocation of the Board approved limits for financing and Treasury operations will be decided by CRMC.

After approval of the counterparty credit limits by the Board, CMRC can approve individual lending/financing transactions to counterparties on case to case basis while remaining within the Board approved credit limits and credit policy parameters.

Approval Matrix

Process Order	Responsibility
1	Group Head Business proposes limits
2	CRO/Head of Risk recommends limits to CRMC and onward to BRC
2	Credit & Risk Management Committee (CRMC)
3	Board Risk Committee
4	Board of Directors

After Credit Limit are approved CRMC approve transactional limits/exposures while remaining within the Board approved credit limits

Exposure Limits:

All customer limits should be available in the system in the following format;

Client	External Rating	Customer Equity (PKR - Bn)	ORR Score	Limit as per ORR (PKR - Bn)	Limit as per SBP (PKR - Bn)

Internal Limits

S.No	Customer Name	Bank Rating	Approved Max Limit PKR (bn)	Allowed Limits (PKR - Bn)

Each Customer Limit Breakup

Customer Name	Allowed Limit	Exposure Division	
		Treasury	Advances

Step 2: Loan Application Form

There will be a web based interaction.

A link will be available on PMRC's website for customers for creating an online account, which will enable them to create a loan application on predefined fields and submit all the required documents by uploading them from their respective locations.

Each customer can have only one account through which they can create multiple loan applications, submit periodical reports and generate queries.

It will have a mailbox which will prompt the customer of any acknowledgements, update on applications, incomplete submissions, required documents etc.

PMRC's Marketing department will be administrator of this application portal and will be checking following documents, as submitted by customer;

    (1)   Know Your Customer (KYC)
    (2)   Memorandum and Articles of Associations / By-Laws
    (3)   Certificate of Incorporation / Commencement of Business
    (4)   License from SBP/ DFI Notification.
    (5)   Form A
    (6)   Form 29
    (7)   Board Resolution preferably on PMRC standard template
    (8)   List of Authorized persons to deal with PMRC along with legible CNIC copies
    (9)   List of Board of Directors & CEO along with legible CNIC copies
    (10)   Draft of standard mortgage document
    (11)   Latest Credit Rating Report
    (12)   Latest Audited Financial Report

Customer will submit the scanned copies of the above listed document which will become part of Master Refinance Agreement (MRA) signing documents.

System should be able to generate/assign the MRA tracking number upon successful completion and receiving of required documents. Furthermore, system should generate a tracking number for each specific loan request which the customer will be making out of its approved limit.

System should keep complete record of receiving/uploading of information along with user name, id, with time and date. Similarly, should system should generate alert for business, credit and operations person who are authorized to receive information.

Above alert should be customizable at PMRC IT.

Application Contents at Master Refinance Agreement (MRA) Level

Facility Segment				
Facility Operations Mode (*Tick any one*)	Conventional		Islamic	

Product Type				
Product Type *(Tick any one)*	Mortgage Refinance		Program Based Lending	

Nature of Business				
Category:	Commercial Banking Institution	Development Financial Institution	Micro Finance Bank	Non-Banking Financial Institution

Customer Information				
Customer Name:				
Head Office Address & Contact Number				
NTN #.				
Company Registration Number				
Date of Establishment				
Number of Directors	Executive		Non-Executive	

Financial Information				
Existing Limits outstanding (PKR)	Funded		Non-funded	
Credit Rating (with agency name)	Long Term:		Agency Name	
	Short Term:			

Details of Write-Off, Rescheduling/ Restructuring availed in the last 3 years (if any)

Name of Financial Institution	1st Year		2nd Year		3rd Year	
	Write-off	Reschduled/ Restructure	Write-off	Reschduled/ Restructure	Write-off	Reschduled/ Restructure

Requested Refinance Limit (PKR)	
Required Master Refinance limit	

Security / Collateral Type (Tick any one)	
1	Assignment charge over existing housing finance portfolio and its receivables
2	Alternate Security
3	Both

If customer choses *'option 2 and/or 3'* then they should provide following information

Treasury Bills		Pakistan Investment Bond		Cash Deposit	
Amount (PKR)	Tenure	Amount (PKR)	Tenure	Amount (PKR)	A/c. No.

Customer's KYC Form
Part 1

Names of all Directors:
Names of all Key Executives:

Is the customer maintaining a register of Ultimate Beneficial Ownership Information by as required under SECP Circular No. 16 of 2018 dated August 29, 2018 (as amended or replaced from time to time)?	**Yes/No**

Names of Ultimate Beneficial Owners of customer holding, directly or indirectly, 20% or above stake (for legal persons holding shares equal to 20% or above in an entity, names of natural person shareholders holding, directly or indirectly, shares equal to 20% or above of the customer):

I undertake that all information I have provided to PMRC is true and accurate in every respect and does not contain a misstatement of fact or omit to state a fact or any fact necessary to make the statements contained therein not misleading.

Company Secretary Name
DD/MM/YY

Part 2	
Is the customer compliant with applicable laws and regulatory guidelines related to anti-money laundering and combating the financing of terrorism, including regulations and guidelines of the State Bank of Pakistan and/or Securities and Exchange Commission of Pakistan (as applicable to the customer)?	Yes/No
Has the customer ensured that CNIC identification, verification and screening for UNSCR requirement of Ultimate Beneficial Owners, Sponsors, Directors, Key Executives and Authorized Signatory(ies)?	Yes/No

Have any PEPs that are directors, authorized persons, or beneficial owners or their family members or close associates been the subject of any investigation, indictment, penalty, fine, conviction or civil enforcement action related to corruption, money laundering or terrorism financing in any jurisdiction?	Yes/No
Have the Fit and Proper confirmations for all Key Executives been cleared by the SBP and/or SECP (as applicable to the customer)?	Yes/No
Fit and Proper confirmations by the SBP and/or SECP (as applicable to the customer) for shareholders, CEO and directors been provided to PMRC?	Yes/No
I undertake that all information I have provided to PMRC is true and accurate in every respect and does not contain a misstatement of fact or omit to state a fact or any fact necessary to make the statements contained therein not misleading. Head of Compliance Name DD/MM/YY	

Required Documents - Duly attested by Company Secretary only	
1	Memorandom and Articles of Associations / By-Laws
2	Certificate of Incorporation
3	License from SBP
4	Form A
5	Form 29 (most recent)
6	Board Resolution on PMRC standard template
7	List of Authorized persons along with legible CNIC copies
8	List of Executive Directors & CEO along with legible CNIC copies
9	List of Non- Executive Directors along with legible CNIC copies
10	Latest Credit Rating Report
11	Latest Audited Financial Report
12	Statement of Financial Position and Profit & Loss Statement
	of preceding quater from date of application
13	Draft of standard mortgage document
14	Board approved business plan (*for program based only*)
15	For individual (natural person) shareholders holding 20% or above stake in an entity, identification and verification of such natural persons.
16	For legal persons holding shares equal to 20% or above in an entity, identification and verification of individual (natural person) shareholders holding shares equal to 20% or above of that legal person.

Document Management

The system should have;

1. Ability to define the documents checklist for an application.
2. Ability to track the receipt of Documents for an application.
3. Ability to upload documents against checklist in different formats like jpg, jpeg, png, word, PDF etc.
4. Ability to Update, inquire and archive the documents.
5. Ability to defer, waive the documents based on customer request.
6. Ability to define mandatory, non-mandatory documents.
7. Ability to track documents stage wise.
8. Ability to mark the no of pages, date of receipt, location of the document while receiving it.
9. Ability to have a verification of the documents by a different user.

Step 3: Prerequisites of Master Refinance Agreement (MRA)

PMRC's Marketing department will seek the following documents from customer;

Who will check	What will be checked	What will be done
CAD/Operations	(1) Know Your Customer (KYC) (2) Memorandum and Articles of Associations / By-Laws (3) Certificate of Incorporation (4) Certificate of Commencement of business (5) License from SBP/ DFI Notification. (6) Form A (7) Form 29 (8) Board Resolution preferably on PMRC standard template (9) List of Authorized persons to deal with PMRC along with legible CNIC copies (10) List of Board of Directors & CEO along with legible CNIC copies	If no discrepancy, sign-off the checklist. Otherwise revert to Marketing for resolving the issues. Content of checklist such as name, customer id, credit limit shall be auto captured by the system and user shall have to press print button to get desired checklist.
Legal	Draft of Standard financing / legal document of customer	If no discrepancy sign-off the checklist
Risk Management / For Documentation CAD	(1) Latest credit rating report (2) Recent audited financials	If no discrepancy, signoff the checklist. Otherwise revert to Marketing for resolving the issues.
CFO and Group Head Operations	Will ensure that all parameters are dully checked by CAD/Operations. Will approves the checklist and the loan case is sent to legal Department for agreement printing.	-

Checklist for MRA Signing

Customer's Name:				Customer's ID #		
Credit Limit:						
S. No.	**Qualification Criteria Met**	**To be Checked from**	**Responsible**	**Compliance**		**Comments**
				Yes	**No**	
1	Documents required for execution of MRA received	As listed from point 2 to 12	Marketing			
Document Requirement for Execution of MRA						
2	Certified copies of the Memorandum & Article of Association of Customer	Memorandum and Articles of Association	CAD/Operations			
3	Certificate of Incorporation & in case of change in name, change of name certificate	Certificate from SECP	CAD/Operations			
4	Business commencement certificate	Certificate from SECP	CAD/Operations			
5	Banking/NBFC license	Letter from SBP/SECP	CAD/Operations			
6	Certified copy of Board resolution of the Customer along with its Schedules.	Board Resolution on specified format	CAD/Operations			
7	Customer's financing agreement checked and reviewed for assignment clause	Customer financing agreement	Legal			
8	Latest Form A	Form A	CAD/Operations			
9	Latest Form 29	Form 29	CAD/Operations			
10	Photocopies of unexpired identity documents (CNIC/NICOP/POC/ARC/Passport) of all directors and persons authorized under the board resolution	Identification Documents	CAD/Operations			
11	Latest credit rating report issued by credit rating agencies licensed by the SECP attached PACRA ☐ JCR-VIC ☐	Rating agency report	Risk Management / CAD / Operations			
12	Copies of the most recent Audited Financial Statements	Audited Financial Statement	Risk Management / CAD/ Operations			

Step 4: Preparation & Execution of MRA

Process order	Dept.	Activity	Documents Required
1	Legal	Provide executable version of MRA to Business unit.	-
2	Legal	Will provide opinion on MRA execution.	Dedicated space for writing a legal opinion should be present.
3	CAD/Operations	Ensure MRA execution Checklist after MRA is signed-off.	Format attached

Note:

- Relevant documentation during the internal process shall enabled to be scanned. This will help in achieving the digital record maintenance, archiving and data management.

- Process queuing shall assign the digital acknowledgment and work flow in the system shall be design accordingly.

Step 5: Application for refinance loan

Process order	Dept.	Activity	Documents Required.
1	Business Unit	Will prepare Term Sheet and same is sent to CRMC for approval.	System will have defined formats and fields for Term Sheets.
2	CRMC	Will review and approves the Term Sheet.	
3	Business unit	Will send the Term Sheet to customer.	Document will be available to customer through web portal. Notifications will be in form of emails.

4	Customer	(1) Will make a Refinance Loan application through web account.
		
		(2) After login, customer will have an interface showing its total allowed limit and its utilization i-e out of its total limit how much limit is in use of Treasury and Refinance category.
		
		(3) Customer can only make application out of its remaining limit.
		
		(4) Will upload excel file of Portfolio to be pledged (collateral).
			(1) Will have following information;
			
			  a) Refinance Amount
			  b) Tenure
			  c) Expected date of disbursement
			  d) Indicative rate
			  e) Principal repayment frequency
			  f) Mark-up repayment frequency
			
			(2) Portfolio information will in accordance to Mortgage Loan Portfolio Format.
			
			(3) Customer's uploaded data should be on a specific format so it can form a data base for PMRC through which multiple reports be generated and analysis can be performed.
			
			(4) A Proper data base shall be maintained by the system to store the information automatically.

5	Business Unit	Will only have an intimation of application from the customer and shared portfolio data PMRC's Business, Risk and CAD/Operations Dept(s).	-

6	Business / Risk / CAD/Ops	(1) Will first conduct a desktop review of the portfolio and ensure Weighted Average Maturity and Weighted Average Markup. (2) Extract sample cases that will be reviewed on customer site are then moved to Operations dept. for forwarding it to customer for making arrangement for onsite review.	(1) Portfolio Weighted Average Maturity and Weighted Average Markup should be calculated systematically. (2) Atleast 20% cases will be assessed on random basis. System should populate this sample on a defined methodology. (3) No data can be shared with any dept. except Operations.
7	Business/Risk /CAD/Ops	Onsite review will be performed by Credit and after satisfying core areas, will sign the Composite Checklist for Portfolio Review. It will cover every case of a portfolio drawn out through sampling. After concluding review, the department will submit a review report highlighting key features and issues. Will inform the Marketing dept. of the Portfolio Review result.	Format for Checklist for Portfolio Review. Dedicated space for writing a report should be present. System should be able to present the Portfolio data in graphical forms for multiple fields. For e.g. • Income wise cases • Income Segment wise • Region wise cases • Mark-up wise case • Gender Wise cases • Maturity wise cases • Property type wise • Loan Category wise • Etc.
8	Business unit	Will sign the Refinance Loan Recommendation Note and the same is sent to Group Head Business and Products.	Format for Loan Recommendation Note. Can view Credit working and its review report.

9	Group Head Business and Products	Will review the submitted report and if satisfied, will approve the Composite Portfolio Review Checklist along with Refinance Loan Recommendation Note. Will then mark the loan case to business unit.	Format for Composite Portfolio Review Checklist.
10	Business unit	(1) Based on the review result and customer application, a Refinancing Proposal will be designed (2) Loan approval memo will be formulated. (3) Both the files will be submitted to Risk dept.	Proposal formation space should be there.
11	Risk	(1) Will receive the approval memo and proposal for review. (2) If any clarification or rectification is required, will then revert to concern dept. (3) If satisfied will take the case to Credit & Risk Management Committee (CRMC) for their approval. (4) After approval, Business unit will be informed accordingly. (5) Will write CRMC minutes or approvals as the case may be which will be	CRMC Structure: MD/CEO – Chairman CRMC CRO/Head of Risk – Secretary CFO and group head operations – Member Head of Treasury & FIs– Member Group Head Business and Products – Member System should have a dedicated space for Meeting minutes.

		available to CRMC members	
12	Business Unit	Will inform the customer of the loan approval amount, markup & tenor. Will ask customer to submit Drawdown Notice.	-
13	Customer	Serves Drawdown Notice through online portal. This option will only be enabled to customer after approval of CRMC.	Drawdown Notice will have following components; • Refinance Amount • Drawdown date • Tenor • Account Name • Account Number • Principal Repayment frequency • Mark-up Repayment frequency Will upload all the required documents for Drawdown. • Search Report • E&S Form
14	Business / CAD Operation and Legal	Will be intimated of the customer's drawdown request.	-
15	CAD/operations	Will check the Drawdown notice as per Drawdown Checklist.	1) Requested date is a business day 2) Contents of Schedule A of MRA. 3) Search Report
16	Legal	Will check the Drawdown notice as per Drawdown Checklist.	1) Search Report

17	CAD/Operations	Will check the Drawdown notice as per Drawdown Checklist. Forward the Drawdown Checklist to CFO & Group Head Operations for approval.	Environmental & Social Representation (E&S) Form is as per format. System shall be able to store information extract from E&S form and make it available to E&S coordinator.
18	CFO & Group Head Operations	Will check and approve the Drawdown checklist, then the same is forwarded to CAD/Operations.	-

Mortgage Loan Portfolio Data Acquisition Format

Customer's (Bank's) Name: _____   **Refinance Mortgage Loan Portfolio # _____**

Data as of MM/YY

Data for Portfolio Review							
Data MIS Format							
Mortgagor's Details							
1	2	3	4	5	6	7	8
S. No	Mortgagor's Name	Mortgagor's CNIC #	Mortgagor's Loan Account No.	Mortgagor's Segment (Salaried/Self-employed)	Female Borrower or Co-borrower (Y/N)	Household Monthly Income Rs.	Total Indebtedness Burden to Income (%)

Loan Details								
9	10	11	12	13	14	15	16	17
Purpose of Loan i.e. Home Purchase, Home Renovation, Construction, Balance Transfer Facility	Financing/ Loan Amount	Last Disbursement Date	Tenor of Loan	Loan Fully Disbursed (Y/N)	Loan Outstanding as of MM/YY	Date of Last repayment	Monthly Instalment Rs.	Repayment Frequency

Loan Details				Property Details				
18	19	20	21	22	23	24	25	26
Current Payment status (Current/ Overdue)	Mark-up Rate %	Pricing Type (Fixed/ Floating)	Re-pricing Frequency	Loan Maturity Date	Property Value at origination	Property Type (Apartment/ Banglow)	Loan to Value (LTV)	Mortgage Property Address

Refinance Loan Recommendation Note

Refinance Loan Recommendation Note			
(Based on Sample Portfolio Review)			
Customer's Name:		**MRA #**	
Data Reviewed as of DD/MM/YY		**RA #**	
EOI Signed by Authorized Officer ☐		**MRA Signed by Authorized Officer** ☐	

Eligibility Standards	Compliance		Comments
	Satisfactory	**Unsatisfactory**	
Credit Review			

Principal Repayment: Monthly ☐ Quarterly ☐ Half Yearly ☐ Yearly ☐ Bullet ☐

Markup Repayment: Monthly ☐ Quarterly ☐ Half Yearly ☐

Customer's Total Credit Limit (PKR):

Customer's Outstanding Amount (PKR):

Customer's Available Credit Limit (PKR):

Refinance Amount Requested (PKR):

Amount of Refinance Loans Qualified as Security (PKR):

Percentage of Overcollateralization (%):

Weighted average of mark-up rate on the portfolio of Mortgage Loans is higher than the Applicable Rate on the Refinance Loan: Yes ☐ No ☐

Weighted average tenor of the portfolio of Mortgage Loans is longer than the tenor of the Refinance Loan: Yes ☐ No ☐

Refinance Approval Amount (PKR):

Customer's Available Credit Limit after Approval (PKR):

Remarks (if any):

Credit	**Group Head Business & Operations**
Shaikh Taha Ahmad	**Zulfiqar Alam**
DD/MM/YY	DD/MM/YY

Composite Portfolio Review Checklist.

Composite Portfolio Review Checklist

Customer's (Bank's) Name:

MRA #

Date of Portfolio Review:

	Mortgagor Information					Eligibility Standards						Remarks
S.NO.	Mortgagor's Name	Mortgagor's CNIC #	Loan Account No.	Property is a residential unit	Loan fully disbursed	DBR within 50%	Repayment is up to date	LTV within 85%	Property Insurance is available	E&S Complied	Clean legal opinion	
1												
2												
3												
4												
5												
6												
7												
8												
9												
10												

Portfolio Review Performed by

Shaikh Taha Ahmad
Manager Credit
DD/MM/YY

Checked by

Zulfiqar Alam
Group Head Business and Operations
DD/MM/YY

50

Checklist for Drawdown.

	Checklist for Drawdown Notice					
Customer's (Bank's) Name:			RA #			
S. No.	Conditions Precedent to Delivery of Drawdown Notice	To be checked from	Responsibility	Compliance		Comments
				Yes	No	
1	Draw Down notice signed by an authorised representative of the customer	As per the specimen of authorised signatories provided by customer	CAD/Operation			
1	Requested Drawdown Date specified in the Drawdown Notice in a Business Day within the Availability Period	Date to Drawdown notice will be verified from calendar	Business unit			
2	Search Report obtained from the SECP as evidence that the Mortgage Loan Portfolio is free from all Security Interests	Search Report	CAD/Operation/ Legal			
3	Updated documents/information (if any) obtained as required in Schedule A.	if any change in Schedule A documents or confirmation from customer	CAD/Operations			
4	Environmental and Social Representation Form received	E&S from as per prescribed format	CAD/Operations			
Remarks:						
Checked by						
_____ _____ _____ **Business Head** **Head of CAD / Ops** **Head of Legal**						
Approved by						
_____ **CFO and Group Head Operations**						

Environmental and Social (E&S) Representation Form

Customer: _____   **Refinance Mortgage Loan Portfolio # _____**

Data as of MM/YY

A. Environmental and Social Management System

(i) Does [●] have an Environmental and Social Management System? (Y/N).
If yes, please attach a copy, *if no please provide plan to comply.*

(ii) Does the ESMS incorporate Applicable Environmental and Social Requirements, as defined by PMRC in Mortgage Loan Eligibility Standards, in relation to Mortgage Loans? (Y/N)

(iii) Does [●] ESMS have an environmental and social screening process in relation to Mortgage Loans that integrates requirements of PMRC Environmental and Social Risk Management Policy? (Y/N)

(iv) Does [●] have a staff member/ unit/ department specifically responsible for management of environmental and social risks and implementation or the ESMS? (Y/N)
If yes, please provide name and contact information
_____

B. Compliance of Mortgage Loan Portfolio with Applicable Environmental and Social Requirements

(i) Does the Refinance Mortgage Loan Portfolio, to the best of [●] knowledge, comply with Applicable Environmental and Social Requirements, including those set out in Mortgage Loan Eligibility Standards? (Y/N)

(ii) Is adequate documentation[i] available for review by PMRC, its representatives in the Mortgage Loan Files? (Y/N)

For and on behalf of [●] through its
authorised signatory   SIGNATURE

Name:
Designation:

Footnote:
[i] Check that documents stipulated in PMRC E&S procedures are available, such as ESIAs (to the extent applicable), lease completion certificate, approved building plan, site plan of the mortgage loan and surveyor report are available.

Step 6: Execution of Refinance Loan

Process order	Dept.	Activity	Documents Required.
1	CAD/Operations	After satisfactory review of CFO & Group Head Operations, prepares and prints the following documents from system; • Refinance Agreement • Lien Security & Control Document • Deed of Assignment	Credit to provide the final portfolio to be incorporated in Assignment Deed. This process shall be automated, Credit should be able to short list and design final list of portfolios for Refinance Agreement and Assignment deed which will be available to CA/Operations Dept.
3	Business unit	1) Get all the Agreements signed from the Customer. 2) Ensure that the collection account is opened and PMRC's lien is marked wherever required. 3) Ensure SECP Acknowledgement for deed registration. Will move the case to Legal.	System will have checkbox for each content along with document uploading/ scanning facility.
5	Legal	Provide opinion on execution of all the agreements.	System should have write-up space along with acknowledgement intimation to concern dept.
6	Operations	Ensure RA execution Checklist after RA is signed.	Format attached

MRA Execution Checklist

S. No.	Activity	Yes	No	Comments
1	All necessary approvals for RA execution sought.			
2	Executable version of RA and Security Documents sent to customer.			
3	Customer signed and stamped the RA and Security Documents.			
4	Legal has ensured that the customer has completed the signing formalities.			
5	Signatures of PMRC Group Head Business and Operations on all documents ensured.			
6	RA signed by PMRC CFO.			
7	Signature of witnesses of both the parties are in place.			
8	Security Charge registered with SECP for which Acknowledgement from SECP is received.			
9	Legal opinion on RA execution received			
10	Certified True Copy of RA sent to customer.			
11	Acknowledgement from customer received.			

Note:

- Operations department will maintain this checklist.

Step 7: Disbursement

Process order	Dept.	Activity	Documents Required.
1	CAD/Operations	Will ensure disbursement checklist. Will prepare disbursement note and forwards it to Legal	Format attached. System, at this stage, should show a customer's limit utilization status to the reviewing and approving authority.
2	CFO & Group Head Operations	Will Approve the disbursement note. Forward the disbursement note to Treasury Back Office	Facility to do multi tranche disbursement
3	Treasury Back Office/ Settlement	Will make payment through RTGS.	Hand shaking between Credit and Treasury System is must.

Checklist for Conditions Precedent to Disbursement

Customer's (Bank's) Name			Customer's ID#			
Portfolio Reviewed as of DD/MM/YY:		**Credit Limit:**				
Refinancing Amount:		**Available Credit Limit:**				
S. No	**Conditions Precedent for Disbursement**	**Condition satisfied from MRA**	**Responsibility**	**Compliance**		**Comments**
				Yes	**No**	
1	Customer has complied with Part A of the Schedule C (Conditions Precedent to the Delivery of the Drawdown Notice) of MRA i.e 1. Portfolio Review 2.Search report from SECP 3.Updated document of Schedule A for MRA requirement (if any)	Verified from Checklist for Drawdown Notice	Operations			
2	PMRC has received a duly completed Drawdown Notice signed by an authorized representative of the Customer	Verified from Checklist for Drawdown Notice	Operations			
3	Requested Drawdown Date specified in the Drawdown Notice is a Business Day within the Availability Period	Verified from Checklist for Drawdown Notice	Operations			
4	PMRC is reasonably satisfied that the statements and certifications made in the Drawdown Notice are true and correct on Disbursement	Covered through bullet a of Part B: of Schedule H Covenants and Undertakings Covered through bullet 6 of Drawdown Notice	Operations			
5	PMRC is reasonably satisfied that no Event of Default or Specified Event has occurred and is continuing and that the disbursement of the Refinance Amount will not result in the occurrence of an	Covered through bullet m of Schedule F- Customer Representations and warranties	Operations			

	Event of Default or Specified Event						
6	PMRC is satisfied that all regulatory and corporate approvals relating to the Maximum Facility Amount and completion of all actions under the Principal Documents have been issued and are subsisting	Covered through Board resolution	Operations				
7	PMRC has received all satisfactory evidence for PMRC to determine that the Customer is a Qualified Financial Institution	Covered through following: 1. Constitutional document provided at the time of MRA signing 2. Banking Licence 3. Audited Financials	Operations				
8	Satisfactory completion of the Portfolio Review	Establish through Refinance loan approval memo and portfolio review checklist	Operations				
9	PMRC is reasonably satisfied that there is no law, directive, notification, order or decree of any Authority, the SBP or any Court in Pakistan, as the case may be, which prevents or restricts PMRC from Disbursement	Covered through bullet e of Schedule F- Customer Representations and warranties.	Operations				
10	Representations and warranties set out in the Principal Documents shall as of the date of the Drawdown Request be true and correct and the Drawdown Request shall contain a statement to that effect	Covered through bullet c of Drawdown Notice Covered through bullet 6 of Drawdown Notice	Operations				
11	No event or circumstance has occurred or exists which would have any Material Adverse Effect	Covered through indemnity clause	Operations				

	on the rights of PMRC under this Agreement						
12	PMRC is satisfied that the Disbursement of a Refinance Amount would not result in any of the Prudential Regulations or the Green Banking Guidelines being violated, or in the event it does, necessary waivers have been obtained by the Customer from the SBP and documentary evidence confirming the same has been provided to PMRC	First part of the CP covered through following clause in Drawdown Notice For second part of the CP, covered through following clause in Drawdown notice	Operations				
13	After Disbursement of a Refinance Amount, the Customer would not be in violation of: **(i)** its constitutional documents; **(ii)** any provision contained in any document to which the Customer is a party (including this Agreement) or by which the Customer is bound; or **(iii)** any Applicable Law, authorization or agreement or other document binding on the Customer directly or indirectly limiting or otherwise restricting the Customer's power to incur Financial Indebtedness.	Covered in bullet **d to n** of Drawdown Notice	Operations				
14	A Refinance Agreement and Security Documents have been executed in relation to the Refinance Amount in the form provided in Schedules D and E to this MRA	Establish through RA and Assignment Deed	Operations				

15	Security has been perfected in accordance with Applicable Laws, including registration/filing of the Security with: **(a)** the Companies Registration Office of SECP and a certificate of registration issued by SECP in respect of the same has been provided to PMRC; and **(b)** the SBP	Charge registration with SECP, Search certificate and letter to SBP by Customer to record the Refinance Loan will confirm this CP	Operations					
16	Copies of the Mortgage Portfolio Documents have been delivered to PMRC in such form and manner as may be required by PMRC; and	Receiving of scan copies of Mortgage Loan Portfolio will be required to confirm this CP	Operations					
17	The Collection Account required to be opened by the Customer in accordance with the terms of this Agreement has been opened to the satisfaction of PMRC	Establish through obtaining Lien Security and Control Agreement. Confirmation will be required from Customer	Operations					
Legal Confirmations								
1	Legal Opinion from HOL attached for perfection of MRA and RA covering PMRC's interest	Opinion by HOL	Operations					
2	> Charge acknowledgment confirmation attached, >SBP intimation attached >Opinion from HOL that Security in favour of PMRC is created	Opinion by HOL	Operations					

Remarks:

Officer Operations		**Head of Operations**
Checked By		**Reviewed By**
Name Signature and Date		Name Signature and Date
Group Head Business and Operations		
Approved by		
Name, Signature and Date		

Disbursement Note

Customer's Name:			Customer MRA#			
Refinance Loan #						
Approved Refinance Loan Amount (PKR):						
Customer SBP Account / RTGS Details:						
Checks	**Compliance**		**Comments**			
	Yes	**No**				
Approval Note Attached						
Checklist for Drawdown Attached						
Disbursement Checklist Attached						

Conditions Precedent to Disbursement are Complied:		Yes	No		
Principal Repayment:	Monthly	Quarterly	Half Yearly	Yearly	Bullet
Repayment:	Monthly	Quarterly	Half Yearly		
PKRV Frequency:- 1 Week to 30 Years		**PKRV Rate:**			
Pricing policy :- PKRV Rate +/- 1% to 100%					
Final Pricing:-					
Refinance Loan Disbursment Amount (PKR):					

Remarks(if any):

Recommended By:	Recommended By:
Legal	**Operations**
_____	_____

Reviewed By:
Risk
_____

Approved By:
Group Head Business and Operations
_____

Step 8: Repayments & Advances Treatment

Repayments

System should show complete repayment schedule in the system along with dates and DPDs. It can be exported and downloaded.

It should allow adjustments in schedule following the change in each component;

- Balloon payment
- Prepayment
- Discounts
- Broken Period mark-up
- Penalties

Advances

System should be able to calculate and provide;

- Maturity Gaps
- Rate Sensitivity
- Cash Flow Gaps
- On Balance Sheet Impact
- Off Balance Sheet Impact

Step 9: Installments

Process order	Dept.	Activity	Documents Required.
1	CAD/Operations	Prepares reminder letter to Customer for payment of instalment. System should be able to generate reminder of the due installments.	Reminder Letter consists of the following details: • Customer's name • Repayment amount (Interest/Mark-up) • Due date • Loan ID/ Reference No. • PMRC A/c. No.
2	Customer	Receives an intimation through web email.	Transfers due amount to PMRC account.
3	Treasury Back Office	Receives installment amount. Intimates CFO & Group Head Operations of the instalment amount received	
4	Operations	If the received amount is not as per the intimation letter. Then revert to customer with another letter to fulfil its obligations.	If the installment is still due then raise alert to Group Head.
4	Finance	Records instalment amount received in the GL and sends its approval to CFO.	
5	CFO	Approves the entry recorded in the GL	

Step 10: Customer Reports

Customer will upload following reports on the given specific formats;

S. No.	Report	Frequency	Format
1	Portfolio Monitoring	Quarterly	Attached. Reports will be printable in pdf and exportable to Word or Excel.
2	Defective Loan	Quarterly	
3	New Loans Disbursement	Quarterly	
4	Review of Collection Account	Quarterly	Customer will upload a statement of account.

Note:

- Reports on the given format should reach within 15 days of each Quarter. If reports not received in timely manner, then an intimation should raise by the system.

- Credit will review the reports and submit brief to CFO & Group Head Operations.

- System should be able to maintain the data based for all these reports.

- System should be able to generate various MIS and analysis based on the change in data and other factors in line with change in data based on above reporting.

- System shall calculate accrual and keep track of installment received and outstanding portfolio

Portfolio Monitoring Report

Portfolio Monitoring Report - Quarterly _____

Customer's Name : _____

Data as of MM/YY

Refinance Mortgage Loan Portfolio # _____

Portfolio Monitoring Report - Quarterly

Data/MIS Format

1	2	3	4	5	6	7	8	9	10
								Breakup of Last Payment	
S.No	Mortgagor's Name	Mortgagor's CNIC #	Mortgagor's Loan Account#	Mortgage Rate %	Loan Outstanding as of MM/YY	Date of Last Repayment	Last Payment Amount	Principal Amount	Mark-up Amount
1									
2									
3									
4									
5									
6									
...									

Defective Loan Report

Customer's Name : _____   Refinance Mortgage Loan Portfolio # _____

Data as of MM/YY

Defective Mortgage Loans				
Data/MIS Format				
1	2	3	4	5
S.No	Mortgagor's Name	Mortgagor's CNIC #	Mortgagor's Loan Account#	Event for Defective*(Event selection from Table below)*

Table for Selection of Defective Loan Reason

A mortgage loan is considered to be a defective loan if:

Description/Detail

a.   it ceases to meet the Mortgage Loan Eligibility Standards;

b.   it is non-performing, i.e. repayments by the Mortgagor are in arrears for three (3) months and/or more;

c.   it is redeemed or prepaid in full by the Mortgagor;

d.   the Mortgagor becomes bankrupt;

e.   the Mortgagor becomes partially or totally disabled or if he dies;

f.   the Mortgage Property is destroyed or damaged by fire or other perils;

g.   no valid policies of fire and other perils insurance; or

h.   there is a breach of any of the representations and warranties provided in terms of Clause 13.1.2 of MRA.

New Loans Disbursement Report

Customer's Name :_____

Data as of MM/YY

New Loans Disbursement Report				
Data/MIS Format				
1	**2**	**3**	**4**	**5**
S. No	**Period Covered**	**Number of loans Disbursed**	**Amount Disbursed**	**Female Borrower or Co-Borrower (Y/N)**
1				
2				

Step 11: Analysis of Customer Reports

Process order	Dept.	Activity	Documents Required.
1	CAD/Operations	Will monitor the reports and ensure collateral coverage and intimate the customer for Restitution or Replacement process.	Restitution or Replacement Notice.
3	Customer	Will provide new/ additional collateral to satisfy PMRC.	
4	CAD/Operations	Will ensure that the new/ additional collateral meets the PMRC eligibility standards. Provide conformation to Operations and Legal.	
5	CAD/Operations	Will arrange Supplementary Assignment Deed from Legal Department and send it to customer for getting it signed, stamped and registered with SECP.	
6	Customer	Will provide Acknowledgement from SECP for registration of deed.	
7	Legal	Ensures the documents are duly executed in PMRC's favor.	

Step 12: Management Reports

SBP Quarterly Report

			Mortgage Loans Portfolio Refinanced with PMRC					
			From DD/MM/YY To DD/MM/YY					
A	B	C	D	E	F	G	H	I
S.No	Customer Name	Type of Finance*	Mode of Finance	Mark-up Rate /Profit Rate (%)	Refinanced Loan Amount (PKR)	Date of Disbursment	Tenor of Loan (Years)	Loan Outstanding (PKR)
		1. Refinance or 2.Pre-finance or 3. Refinance for low and middle income group	1. Conventional or 2. Islamic					

Portfolio Dashboard

System should graphically represent health of company's advances, on following level;

1. Each customer level
2. Category level (Bank, DFI, MFB, NBFI)
3. Portfolio level (Conventional and Islamic)
4. Product Level (BAU and Program Based Lending (or any other product as the case may be)
5. Holistic level

Health predictors

1. Agreement signing
2. Disbursement status
3. Collateralization/ Securitization
4. Outstanding Amount
5. Customer Infection Ratio
6. Aging
7. Concentration risk
8. Remaining limits
9. Etc.

Exceptions (Deviation/ Deferral/ Waiver)

System should provide a separate space to write exceptions besides classifying it as Deviation, Deferral or Waiver and should have;

1. Ability to define exception based on rules / parameters.
2. Generation of exception automatically by the system and allocation to designated authority for approval.
3. Maker Checker process for approval.
4. Facility to add certain user deviations based on the discretion of the user in authority.
5. Ability to generate composite exception report on both, customer level and holistic level for a certain defined period.

Turn Around Time (TAT) Report

Specific Portfolio Defection report

Step 13: Annual Review & Ad-hoc Review

Process order	Dept.	Activity	
1	CRMC	To decide the scope of review	System should cater the need for assigned task, write-ups along with Maker-Checker criteria.
2	CFO & Group Head Operations	CAD/Ops to perform and conduct review.	
3	Business Unit	Informs customer before 10 days of visit	
4	CAD/Operations	Review the portfolio as per the scope of review. Submit report to CFO & Group Head Operations and onward to CRMC.	

Step 14: Annual Credit Limit Review

Process order	Dept.	Activity	Documents Required.
1	Business Unit	Provide Annual financial statement to Risk Management	Unqualified audited financial statements.
2	Business Unit	Propose Credit limit using Obligator Risk Rating and Exposure Limit formula. Propose the Enhanced/ Reduced limits to Head of Risk.	Obligator Risk Rating as per Annexure A. Exposure Limit formula Credit Limit Memo.
3	CRO/Head of Risk	Will review the limit and if found satisfactory, will recommend the same to Credit & Risk Management Committee	Credit Limit Review Memo along with comments (if any)
4	CRMC	Will review the limit and if found satisfactory, will forward the same to Board Risk Committee (BRC)	Credit Limit Review Memo
5	BRC	Will recommend the limits, if found satisfactory, will forward the same to Board of Directors (BOD)	System should have a dedicated space for Meeting minutes.
6	BOD	Will approve the limits, if agree to recommendations.	
7	Company Secretary	Will inform the BOD decision to respective departments.	

Annexure A

System should be based on Parametrization approach and will provide following flexibility to the system administrator to so as to adjust the model accordingly;

- Change the weightages.
- Add / delete/ change factors.
- Assign new scores.
- Define new formulas.

Obligor Risk Rating (ORR) – Banks, DFIs, Microfinance Banks

Scoring Basis:
As per the Credit Policy

Details of Quantitative factors:

Following are some of the indicative ratios used

Asset Quality
Earning Assets to Total Assets
NPL to Advances
NPLs to Total Assets
Provisions to Advances
NPL Growth
Efficiency
Deposit Growth
Advances Growth
Advances to Deposit ratio
Advances to Total Assets
Deposits to Total Assets
Operating Performance-Profitability
ROA
Net Profit Margin
Net interest Income Growth
Net Interest Margin
ROE
Interest Income to Average Earning Assets
Non-Interest Income to Average Earning Assets
Interest Income to Average Interest Earning Assets
Interest Expenses to Average Interest Liabilities

Non Mark-up Income to Mark-up Income
Capital Adequacy
Tier 1 Capital/Total Assets
CAR
Liquidity
Liquid Assets / (ST Liabilities + Term Deposits)
Maturity Gap 1 Year (Asset/Liabilities)
Liquid Assets to Total Assets

Prudential Parameters

S.No	Client Name	MCR	CAR	Current Ratio	Debt-to-Equity	LCR	NSFR	Leverage Ratio

Formulas:

Ratios	Formula	Definition
Earning Assets to Total Assets	Earning Assets divide by Total Assets. Earning Assets include Lending to FI, Investment, Other Assets, Interest bearing Cash balances, Interest bearing balances with banks.	Shows percentage of earning assets on balance sheet.
NPL to Advances	Non-Performing Loans divide by Gross Advances	The amount of NPLs in a bank's loan portfolio to the total amount of outstanding loans the bank holds
NPLs to Total Assets	Non-Performing Loans divide by Total Assets	The amount of NPL as a percentage of Total assets
Provisions to Advances	Specific Provisions divide by Non-Performing Advances	It is a measure that indicates the extent to which the bank has provided against the troubled part of its loan portfolio.
NPL Growth	Current Year Non Performing Loans divide by Previous Year Non Performing Loans. The result of the above is then subtracted by 1.	Shows the growth/ decline in the Non-Performing Loans.
Deposit Growth	Current Year Deposits divide by Previous Year Deposits. The result of the above is then subtracted by 1.	Shows the growth/ decline in the Deposits.
Advances Growth	Current Year Advances divide by Previous Year Advances. The result of the above is then subtracted by 1.	Shows the growth/ decline in the Advances.
Advances to Deposit ratio	Advances divide by Deposits.	If the ratio is too high, it means that the bank may not have enough liquidity to cover its fund requirements. Conversely, if the ratio is too low, the bank may not be earning as much as it could be.

Advances to Total Assets	Advances divide by Total Assets.	The ratio indicates the ability of bank to utilize its deposits in the form of loan and advances to earn higher return.
Deposits to Total Assets	Deposits divide by Total Assets	The ratio shows what percentage of total assets comprises total deposits.
ROA	Net Profit after Tax divide by Total Assets.	This ratio expresses the capacity of earning profit by a bank on its total assets employed in the business.
Net Profit Margin	Mark-up/ Interest Earned divide Profit After Tax.	The net profit margin illustrates how much of each dollar collected by a company as revenue translates into profit.
Net interest Income Growth	Current Year Net Interest Income subtracted by Previous Year Net Interest Income. The result of the above is then divided by Previous Year Net Interest Income.	Shows the growth/ decline in Net Interest Income.
Net Interest Margin	Net Interest Income divide by Total Assets.	It is a measure of the difference between the interest income generated and the amount of interest paid out to their lenders (for example, deposits), relative to the amount of their (interest-earning) assets.
ROE	Profit after Tax divide by Total Shareholders' Equity.	This ratio expresses the return on shareholders' equity. ROE is a direct measure of returns to the shareholders.
Interest Income to Average Earning Assets	Mark-up/ Interest Earned divide by Average Earning Assets.	It calculates yield on earning assets and indicates how well assets are performing by looking at how much income they bring in.

Non-Interest Income to Assets	Non Mark-up/ Interest Earned divide by Total Assets.	This ratio expresses how much income is earned other than mark-up through other functions of the bank by employing total assets.
Interest Income to Average Interest Earning Assets	Mark-up/ Interest Earned divide by Average Interest Earning Assets.	This ratio expresses how much income is earned through mark-up by employing Interest Earning assets.
Interest Expenses to Average Interest Liabilities	Mark-up/ Interest Expense divide by Average Interest Liabilities.	This ratio expresses how much expense is being made through interest bearing liabilities.
Non Mark-up Income to Mark-up Income	Non Mark-up/ Interest Earned divide by Mark-up/ Interest Earned.	This ratio shows the percentage of non interest based income as compared to interest based income out of the total income.
Tier 1 Capital to Total Assets	Tier 1 Capital divide by Total Assets	It is a Tier 1 leverage ratio which ensures the capital adequacy of banks and to place constraints on the degree to which it can leverage its capital base. The higher the ratio is, the higher the likelihood is of the bank withstanding negative shocks to its balance sheet.
CAR	Total Capital divide by Total Risk Weighted Assets (RWA).	It is the ratio which determines the bank's capacity to meet the time liabilities and other risks such as credit risk, operational risk etc.
Liquid Assets / (ST Liabilities + Term Deposits)	Liquid Assets divide by Short Term Liabilities and Deposits.	It shows the number of times the short term debt obligations are covered by liquid assets.
Maturity Gap 1 Year	Sum of assets maturing in 1 year (ALCO profile) divide by Sum of liabilities maturing in 1 year (ALCO profile)	It is a measurement of interest rate risk for risk-sensitive assets and liabilities.

Liquid Assets to Total Assets	Liquid Assets divide by Total Assets	It shows the extent of liquid assets an institution holds in order to address its immediate or short terms obligations.

Section 6. Technical Proposal Submission Forms

Form-I

Technical Proposal Submission Form

[*Location, Date*]

To: [*Name and address of Bank]*

Dear Sirs/Madams:

We, the undersigned, hereby submit the Technical Proposal for [*Insert title of assignment*] in accordance with your Request for Technical Proposal dated [*Insert Date*] and our Proposal.

We are submitting our Proposal in association with: [*Insert a list with full name and address of each associated JV partner]*

We hereby declare that all the information and statements made in this Proposal are true and accept that any misinterpretation contained in it may lead to our disqualification.

We undertake to negotiate on the basis of the proposed specifications. Our Proposal is binding upon us and subject to the modifications resulting from Technical Proposal Review Meeting

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

Authorized Signature [*In full and initials*]: _____ Name and Title of Signatory: __

Name of Prospective Bidder: __ Address: ____

Form-II

Prospective bidders would provide item wise commentary on the practicability and or functionality of the proposed products and proposal for alternative solution for both products and service agreements; if any. prospective bidders are required to identify any discriminatory and difficult conditions. Prospective bidders are also required to identify if specifications are favouring any single supplier and are putting others at a disadvantage.

Attention of prospective bidders is also drawn to the ITBP 2 which interalia declares mis presentation of facts as "Fraudulent Practice"

Form-III

Bidder Capacity Assessment

The total weightage 70% (Minimum Qualification for 2nd stage- 50%)

S. No.	Technical Evaluation	Marks Allocated	Marks Obtained
1	Experience of the offeror firm	10	
2	Performance of the firm with previous clients on projects of similar nature based upon quality of work, control of costs, ability to meet schedules or deadlines and responsiveness to the client. This shall also prove that the firm has at least five years' experience of relevant services.	10	
3	Proposed approach to scope of work & time line to complete the project	20	
4	Firm's presence/team availability within major cities Pakistan and globally (if any).	10	
5	The bidder must be registered with Sales Tax, Income Tax departments and should be active tax payer.	5	
6	Tax returns of last 2 years.	5	
7	Last financial statement duly attested by the Proprietor	5	
8	last 5 years turnover	5	
	Total Points	**70**	

S. No.	Financial Evaluation	Marks Allocated	Marks Obtained
1	Cost of services	30	
	Total Points	30	

Lowest in Financial bid will get highest marks.

Annex-A to Form-III

Experience of Similar* Supply and Installation

S. No	Assignment Description	Name /Contact Details of Client	Start Date	End Date

* Please attach copies of the contract/ agreement / PO / Work order.

Annex-B to Form-III

Experience of Similar Maintenance/Support/Service Level Contracts

S. No	Assignment Description	Name /Contact Details of Client	Start Date	End Date

* please attach copies of the contract/ agreement / PO / Work order.