



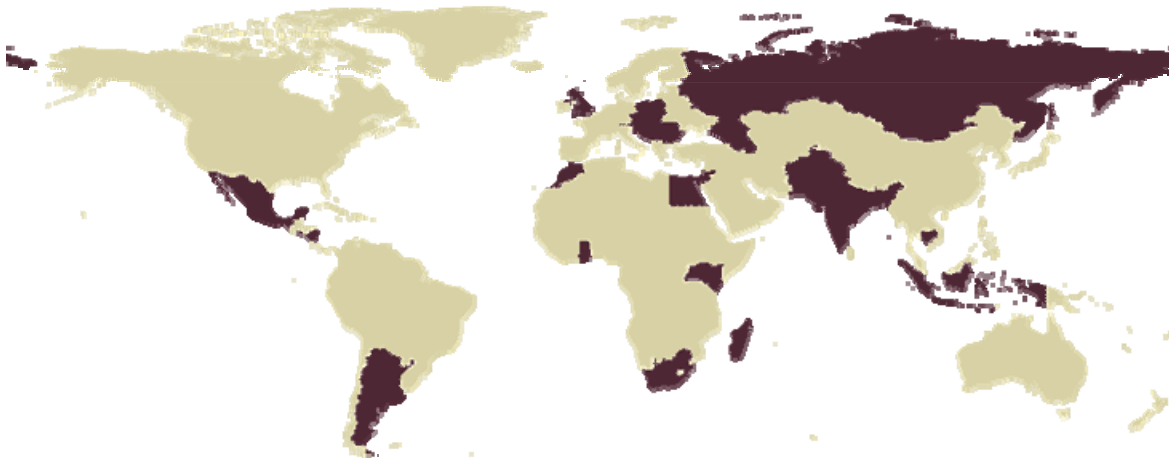
SHOREBANK INTERNATIONAL

Research Proposal

**LOW-INCOME HOUSING FINANCE
RESEARCH CONSULTANCY**

Prepared for Acumen Fund

February 27, 2009



A handwritten signature in blue ink, appearing to read 'Amjad Arbab'.

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Table of Contents

EXECUTIVE SUMMARY.....	3
INTRODUCTION TO SHOREBANK INTERNATIONAL.....	4
EXPERIENCE IN THE HOUSING FINANCE SECTOR.....	6
DETAILED DESCRIPTIONS OF RELEVANT HOUSING FINANCE ENGAGEMENTS	7
DETAILED DESCRIPTIONS OF PAKISTAN ENGAGEMENTS	10
TECHNICAL APPROACH AND METHODOLOGY.....	13
TEAM COMPOSITION	16
BUDGET	18
ANNEX 1: PROPOSED WORKPLAN.....	19
ANNEX 2: SUMMARY TABLE OF SBI INTERNATIONAL HOUSING ENGAGEMENTS....	21
ANNEX 3: CURRICULA VITAE.....	24
ANNEX 4: PAST PERFORMANCE REPORTS.....	41
ANNEX 5: SBI REFERENCES	57

EXECUTIVE SUMMARY

ShoreBank International Ltd. (SBI) is pleased to present the following bid for the *Low-Income Housing Finance Research* for the Acumen Fund. We share the view that the current gap which exists between demand and supply of viable housing products for Pakistan's low-income segment should be addressed in an effort to begin mitigating the problem in the near future. We also firmly believe that in order to effectively mitigate this current situation multiple steps must be taken to understand the market, the products needed to properly serve the consumers at the Bottom of the Pyramid (BoP) and to also increase the capacity of MFIs to effectively deliver these products and services.

Over the course of the last several years innovative housing microfinance solutions targeted for the BoP market have been developed and implemented in a variety of markets in emerging economies. As a leading practitioner, SBI has been at the forefront implementing a variety of housing interventions in such diverse environments as Latin America, Africa, Eastern Europe, the Caucasus and the Middle East. Most recently SBI has been contracted by the International Finance Corporation to provide the First Microfinance Bank of Afghanistan full-time technical assistance to improve their housing microfinance products and services as well as create a Housing Microfinance Toolkit, as first steps towards introducing similar products and services across MENA.

In addition to its international experience implementing housing microfinance projects around the world, SBI will bring to bear its considerable knowledge and relationships across Pakistan's microfinance sector to achieve the goals of this initiative. SBI's knowledge and relationships are built on 20 years of direct involvement in the development of Pakistan's microfinance sector. Additional attributes which will allow SBI to effectively complete the tasks of this assignment include:

- Vast experience implementing similar demand-supply surveys and developing products based on findings
- Project Team Leader, Zaigham Mahmood Rizvi, who possesses 35 years of Housing Finance and Development Banking experience
- Offices located in Islamabad (head office), Lahore and Karachi, staffed with microfinance experts who, if needed, can provide immediate technical assistance to support this effort
- The ability to tap regional and global technical specialists to complement SBI's unrivalled country and market experience

Our extensive experience assessing markets and delivering technical assistance to microfinance institutions in many different markets allows us to provide strategic analysis and technical insights in the most appropriate ways to develop and deliver financial products and services to Pakistan's low-income sector. The following sections detail SBI's qualifications and plans in relation to the project.

INTRODUCTION TO SHOREBANK INTERNATIONAL

ShoreBank Corporation is a U.S. bank holding company that has launched two U.S. commercial banks, owns or advises five non-bank consulting or investment companies, and four non-profit loan funds engaged in real estate, labor force and enterprise development. Founded in 1973, ShoreBank currently has \$2.4 billion in assets and is America's oldest and largest community development bank. Headquartered in Chicago, ShoreBank operates banks and affiliated non-profits throughout the Midwest, the Pacific Northwest and around the world. All members of the group share ShoreBank's "triple bottom line" objectives of profitability, targeted investment in the communities in which it operates and environmental conservation. For more information on ShoreBank Corporation visit www.shorebankcorp.com.

ShoreBank International Ltd. (SBI) formally ShoreBank Advisory Services (SBI)¹, was created in 1988 as a wholly-owned subsidiary of ShoreBank Corporation, a U.S. regulated commercial and holding company developing models and services that catalyze economic opportunity, social equity and environmental sustainability. SBI is the advisory and consulting arm of the parent bank holding company, charged with applying the lessons and expertise that ShoreBank has accumulated in operating commercial banks and non-bank intermediaries in challenging economic environments. The skills and approaches applied by SBI internationally are rooted in the over thirty years of experience of the ShoreBank group of companies in commercial and retail banking and development finance.

SBI has managed long-term development finance projects with more than ninety partner financial institutions in fifty different countries; projects in which we have overseen the disbursement of over 43,000 loans totaling more than \$563 million in developing and transitional economies.

Sponsor/clients of SBI's services over the years have included the International Finance Corporation, the Inter-American Development Bank, the European Bank for Reconstruction and Development, the World Bank Group, the European Union, USAID, UK DfID, the Polish-American Enterprise Fund, the Bulgarian-American Enterprise Fund, the Romanian-American Enterprise Fund, and the Ford Foundation. For more information on SBI please visit www.shorebankinternational.com.

ShoreBank International – Pakistan (SBI-P) serves as the regional hub for all ShoreBank International (SBI) South Asia, Middle East and North Africa regional activities. With our highly

MSME Finance: - Selected Highlights

Over nearly 20 years, ShoreBank International Ltd. has:

- Generated a total volume of over 43,000 MSME and real estate targeted loans with a total loan value of nearly \$600 million at an average charge-off rate of less than 1.0%.
- Provided long-term technical assistance to over 90 financial institutions across 50 countries.
- Trained more than 4,345 Directors, Managers, and Loan Officers.
- Supported the transformation and commercialisation of development financial institutions in Pakistan,

¹ As a result of comprehensive strategic planning, since January 2006 SBI's sole activity going forward is the international practice. A new name and brand (ShoreBank International Ltd) was created to reflect the exclusively international focus.

skilled team of national finance experts, SBI-P has become a market leader in the provision of advisory and technical assistance services in support of the development of a thriving, inclusive financial sector. *SBI-P's head office is in Islamabad and has two satellite offices in Karachi and Lahore.*

EXPERIENCE IN THE HOUSING FINANCE SECTOR

ShoreBank Corporation, SBI's parent company, has been involved in housing finance in underserved economic communities for over thirty years. As a result, within the ShoreBank family of companies resides deep experience with housing finance under difficult circumstances to communities not generally considered by other banks. ShoreBank is currently making more real estate loans in its target markets ("priority neighborhoods") than all of its competitors, including Citibank, Bank One, LaSalle Bank, Northern Trust and Harris Bank. ShoreBank has been able to capture the purchase and rehabilitation lending niche in these markets, in part, because mainstream banks in the U.S. traditionally view rehabilitation lending as having higher risk, especially in the economically disadvantaged neighborhoods in which ShoreBank focuses its lending. Despite this perception, ShoreBank's portfolio has performed admirably. Since 1997, ShoreBank's real estate loan delinquency rate has averaged between 2.0 and 2.5% of the entire portfolio and the annual charge-off (loss) ratio has averaged 20 basis points. Thus, despite the high risk nature of its portfolio, ShoreBank is able to maintain a delinquency rating that is below the national average.

This success can be attributed to ShoreBank's unique approach to real estate lending, which includes the following features:

- **Market Knowledge:** Our lenders know comparable sales values; they know rehabilitation and construction costs. Every week they are driving and walking in their target market areas.
- **Customer Knowledge:** Our lenders are energetic and dynamic. They don't make loans solely from behind their desks. They see all of the properties that they lend against and they place a great deal of emphasis on the character and capacity of their borrowers, their ability to heed advice and to weather adversity.
- **Friendly and Efficient Customer Service:** Our lenders get to know their borrowers personally. Internally, there are sufficient economies of scale to allow a division of labor, including an in-house appraiser, which allows lenders and administrative staff to focus on what they do best.
- **Competitive Advantages:** Unlike most of the competition, they charge very few fees. They have no application fee and no appraisal fee.

ShoreBank's priority neighborhoods are similar in some ways to the markets of Pakistan. Extending credit in these areas is challenging as personal incomes in these communities are below average, accounting records are not always reliable, there is a lack of comparable property exchanges for valuation purposes and, most significantly, these areas are severely "under-banked". In managing real estate lending projects in maturing economies, SBI seeks to replicate and adapt the best practices of ShoreBank's real estate lending in the U.S. SBI has been advising housing finance institutions internationally since 2000.

SBI has worked on housing finance projects in Africa, the Middle East, former Soviet Union, and Latin America, and historically, has been engaged in 17 housing finance technical assistance mandates. SBI's housing finance practice ranges from setting up mortgage lending programs and dedicated housing finance companies to conducting market assessments and standardizing mortgage loan policies. In many cases in these countries the regulatory underpinnings for mortgage lending were either absent or rudimentary and the SBI team provided local lenders with the tools to operate in these challenging environments. In the area of low income housing and slum upgrading, SBI undertook the

Global Financial Innovations Partnerships Pilots (GFIP) project in Morocco and South Africa, which focused on increasing access to finance for slum improvement through private capital mobilization and capacity building of local financial institutions. SBI also mobilized private market forces to improve the quality of life for the urban poor and slum dwellers by encouraging wealth-building through homeownership, property investment, and infrastructure building. To complement this outreach, SBI also strengthened partner financial institutions including both banks and MFIs to ensure effective delivery of the financial products serving slum dwellers.

EXPERIENCE IN SECTOR ANALYSIS AND PROJECT IDENTIFICATION

SBI has a strong track-record in country-based financial sector assessments, determining supply and demand, evaluating financial institution capacity and identifying project opportunities to stimulate growth. We have performed numerous feasibility studies and market assessments in fields related to access to finance in emerging countries, conducted assessments of housing finance initiatives, expanded existing housing finance markets and developed nascent markets in Africa, Latin America, Eastern Europe and Asia. In doing so, SBI has assessed the market, designed the project, and implemented housing finance programs in such diverse markets as Morocco, and South Africa, Mexico, Cambodia and Republic of Georgia. We have implemented housing finance programs that include deep analysis of demand, including use of survey tools, design of products to match expressed client needs, development of underwriting criteria for the products and adaptation of policies and procedures to incorporate new products.

DETAILED DESCRIPTIONS OF RELEVANT HOUSING FINANCE ENGAGEMENTS

Afghanistan: Study of the Housing Finance/Microfinance Sector

The study, run between October 2006 and January 2007, had two broad components. The first component – the policy framework, provides recommendations on the development of a housing finance policy and necessary infrastructure needed for the Government of Afghanistan and other stakeholders to establish a housing finance market in Afghanistan. The second component – housing finance project identification, will identify opportunities through which IFC and other stakeholders might stimulate, support and expand the availability and affordability of housing in Afghanistan. The assessment encompassed both mortgaged and non-mortgaged property and investigates options for housing microfinance specifically. The team engaged in the following analysis:

1. Socio-Economic Analysis
2. Housing finance/microfinance market analysis
3. Housing finance/microfinance infrastructure assessment
4. Legal issues and regulatory environment assessment
5. Housing policy assessment

Feasibility Study on Microfinance Housing in the East Africa Region

SBI recently completed a Feasibility study on Housing Microfinance: Market Assessment, Proposed Financing Mechanisms, and Technical Assistance in Kenya, Uganda and Tanzania for Strømme Microfinance East Africa Limited. The team is conducting a desk and filed study on housing microfinance supply and demand to:

- Examine the economics, legal and regulatory frameworks for housing finance for the poor.

- Analyse the need for a wholesale housing facility for the East Africa region to provide funds for microfinance institutions that in turn will lend to the poor to address the low cost housing challenge.
- Recommend wholesale financing mechanisms for housing microfinance that can be put in place to meet the housing needs of the poor.
- Recommend capacity building and technical assistance requirements for the successful delivery of a housing microfinance product in Kenya, Uganda and Tanzania.

Morocco and South Africa: Global Financial Innovations Partnerships Pilots (GFIP)

The GFIP project, one of the only private-sector bank-operated initiatives, focused on activities that increase the access to finance for slum upgrading activities through private capital mobilization, strategic partnerships with local financial institutions and capacity building of institutions engaged in housing finance. SBI implemented an asset-building strategy for economically distressed individuals and communities through two prongs that reach to the core of poverty alleviation and economic development challenges. The first component of the strategy mobilized private market forces to improve the quality of life for the urban poor and slum dwellers by encouraging wealth-building through homeownership, property investment, and infrastructure building. The second component focused on the strengthening of financial institutions to ensure effective delivery of the financial products serving slum dwellers and consistent with the institution's overall safety and soundness guidelines. As a result of the technical assistance delivered to local partners by SBI, the GFIP leveraged US\$ 24.3 million in private sector investment in urban communities and their organizations and institutions. SBI developed one pilot project in Morocco and another one in South Africa via partnerships with local financial institutions to get involved in this sector. The GFIP Moroccan pilot worked with two local banks (Banque Centrale Populaire and Banque Marocaine du Commerce Extérieur) and two MFIs (Al Amana and Fondation Zakoura) to develop their skills in lending to this population. The pilot worked with partners from both the government and the private sector in order to improve knowledge around the financial aspects of the Villes Sans Bidonvilles program. The GFIP South African pilot, designed to increase financial intervention in the affordable housing arena of South Africa, began in April 2005. The pilot worked with one local bank (ABSA) toward mobilizing funds into a previously undesirable market segment through the application of the local credit guarantee facility. Technical assistance was provided as well to two Housing Intermediaries (SOHCO and The Kuyasa Fund) on how to lend to slum dwellers.

Mexico: Mortgage SOFOLES

SBI recently completed an IFC-funded project in Mexico to enhance operational capacities at second-tier SOFOLES, non-bank regulated financial institutions specializing in housing finance. SBI has worked with five SOFOLES to assist them in accessing alternative sources of secondary market financing other than those of the government funded Sociedad Hipotecaria Federal (SHF), which would enable them to participate in the growing Mexican secondary mortgage market. SBI completed assessments of each SOFOLES in terms of operating, credit risk management and systems capabilities. The assessment established a baseline for later evaluation and tracking of progress. SBI provided each SOFOLES with a Diagnostic, including an Action Plan for technical assistance activities to be performed.

With the goal of improving standardization and the overall quality of the mortgage pools so that they may be securitized, SBI modified and adapted the IFC Mortgage Toolkit to Mexico. This also involved creating a second Construction Loan Toolkit for "Creditos Puentes" (bridge loans) made to housing developers, which involve additional risks and complexity distinct from individual mortgage lending.

These toolkits were translated into both English and Spanish. Subsequently SBI adapted the operational policies and procedures of the SOFOLES so that they better conformed to the best practices outlined in the Toolkits. SBI also provided a series of trainings in risk management, servicing and underwriting, as well as “the Road to Securitization” to prepare the institutions for accessing capital markets.. Classroom seminars were followed with on-the-job mentoring and shadowing. A total of 19 seminars and workshops were delivered to over 325 lenders and core staff.

Development of IFC Mortgage Toolkit

The lack of standardization and uniformity in all critical areas of mortgage lending are among the key impediments to developing primary mortgage markets in the Sub-Saharan Africa Region. IFC believes that mortgage lending is most efficient when mortgage loans are made in a standard form used by all. In this way, cost efficiencies are achieved, margins can be compressed, and affordability is improved. SBI was chosen in 2006 by the IFC to develop a “Mortgage Toolkit” for sub-Saharan Africa. Under the Toolkit, SBI developed standardized mortgage products, mortgage loan files and mortgage lending and maintenance processes with a view toward use on an eventual secondary market. SBI defined a complementary suite of mortgage products starting with a variable rate mortgage and created a model loan file including standard documents, a loan file checklist, and an organizational structure of the file. SBI also created an integrated set of operating manuals, and developed guidelines for each module and processes to follow in order to book and manage mortgage loans. This Toolkit formed the basis of Mortgage Toolkits currently being used in multiple geographies across Asia, Africa, Latin America, and the former Soviet Union.

South Africa: Trust for Urban Housing Fund (TUHF)

Since 2003, ShoreBank and SBI staff has been advising TUHF, South Africa, as it launched an implemented a multi-family lending operation in Johannesburg modeled in large part on ShoreBank’s innovative multi-family lending product. The mentorship and advisory work provided to date has included: assistance in strategic planning and general troubleshooting, the selection of an appropriate software vendor for its loan and accounting systems, providing an appropriate and relevant MIS, capacity building in providing a sound system of internal control for its operations, and assistance on the policies, procedures, and loan form documentation for its operations. TUHF and ShoreBank staff have engaged in peer learning exchanges, with TUHF CEO and other staff traveling to spend weeks of mentorship in Chicago with ShoreBank multi-family lenders, and ShoreBank and SBI staff traveling to TUHF to provide on-site assistance and mentorship.

Canadia Bank, Cambodia

SBI has been active providing technical assistance to the nascent Cambodian housing finance market. Under the auspices of the IFC, in late 2004, SBI provided assistance to Canadia Bank (one of Cambodia’s largest commercial banks) to assist in creating a sustainable housing loan department. Despite many regulatory hurdles to mortgage lending, the SBI team endeavored to provide Cambodian lenders with the tools to lend within the constraints of their environment. For example, at the time of SBI’s engagement, liens could not be formally registered and it was difficult to document proper title. SBI assisted the bank in adapting its lending procedures to these challenges. Some of SBI’s main tasks included:

- Strengthening underwriting skills, including capabilities to identify repayment capacity in a non-transparent environment where complete client information is often missing or inaccurate.

- Formalizing the lending process, mainly underwriting procedures, through the creation of an operations manual to guide underwriters in making lending decisions. The operations manual featured aspects of lending to salaried as well as non-salaried individuals.
- Developing appropriate training material and supporting documentation including application form, various underwriting checklists and ratio worksheets to help standardize the work of the department.
- Identifying areas in the bank's IT system that requires modification in order to provide suitable reporting tools for the housing loan department.

The first loans under this program were committed in March, 2005. By July 2005 approximately 80 housing loan commitments totaling US\$ 3 million were made. Average loan size was US\$ 37,500 with an average tenor of 79 months.

DETAILED DESCRIPTIONS OF PAKISTAN ENGAGEMENTS

A leader in the field of microfinance, SBI continuously increases its institutional capacity by relying on a team of in-house, international and local experts to implement projects around the world. In Pakistan, SBI-P has been active for two decades; from assessing the transformation readiness of the Agha Khan Rural Support Program located in Northern Pakistan in 1989 to our most recent assignment working with NRSP on the USAID-funded Advancing Microfinance for Post-disaster Economic Reconstruction Project (AMPER) to create and introduce microfinance products in the earthquake ravaged Azad Jammu Kashmir region to assist in reconstruction.

Below is a descriptive list of these and other engagements that SBI has implemented in Pakistan.

Widening Harmonized Access to Microfinance (WHAM)

SBI worked in Pakistan under the Widening Harmonized Access to Microfinance (WHAM) project, a three-year, \$5 million USAID-funded program to develop the small enterprise lending capacity of commercial banks and microfinance institutions. Under the project, in addition to industry-wide capacity-building events and interventions, SBI provided direct capacity-building support for development of MSME lending capabilities to the National Bank of Pakistan, First Microfinance Bank, Standard Chartered Bank, Asasah Microfinance, Crescent Bank and the Kashf Foundation. This support included technical assistance in product development, as well as the design, management, and monitoring of pilot tests, training for small enterprise lending staff, and portfolio risk analysis. As of end February 2008, the project resulted in over \$21 million in new small business loans and \$14 million in new microfinance loans, to over 27,000 clients. Under WHAM, SBI also completed NRSP's initial 5 Year Business to transform it from a rural support program into a microfinance bank.

Advancing Microfinance for Post-disaster Economic Reconstruction Project (AMPER)

ShoreBank International Ltd (SBI), together with local partners the National Rural Support Program (NRSP), and the Pakistan Microfinance Network (PMN), have implemented the USAID-funded AMPER project to increase access to financial services for the poor and very poor in the earthquake-affected Azzad Jammu and Kashmir (AJK). To understand the financial services needs of population living in the post-disaster area, SBI conducted a comprehensive household survey of 1,510 households in each of the 8 AJK districts. Based on these findings SBI developed 2 maternity health loans: the

Maternity Home Loan and the Maternity Health Loan. The Maternity Home Loan provided an enterprise loan to health care professionals to establish a maternal health care center in rural areas for the poor and very poor to utilize during pregnancy and delivery. The Maternity Health Loan provided financial assistance to poor and very poor expectant mothers in the rural villages to cover costs associated with the pregnancy and delivery (e.g. transportation, medicine, nutrition, doctor, delivery and operation fees). Since their inception each loan has undergone a period of adjustment to fit the local social and culture values. Since being readjusted (the Maternity Home Loan was included in the already existent Enterprise Loan; the Maternity Health was reintroduced as a general Health Loan) over 5,700 loans at a value of 7,000,000+ PKR have been disbursed in the AJK region. To further advance reconstruction efforts, SBI is currently in the process of developing and implementing a housing microfinance product to the region.

Risk Management Assessment for the Pakistan Poverty Alleviation Fund (PPAF)

SBI led a comprehensive portfolio risk management assessment for PPAF's outstanding portfolio of \$55 million in debt financing activity for the microfinance sector. The assessment included internal analysis of PPAF credit and operations risk management practices and staff capacity, as well as an analysis of underlying portfolio quality of key investee institutions. Based on this analysis, SBI was able to provide detailed recommendations on improvements to credit cycle processes and procedures, and to introduce new tools to improve credit risk management practice within the institution. In addition, SBI developed a detailed roadmap for improving staff capacity, and further defining and developing risk management practices of PPAF to improve portfolio quality and enable investment with regulated commercial microfinance institutions and commercial debt fund instruments.

Conducting an Advisory Study for First Women's Bank Limited - Pakistan First Women's Bank

SBI led the field-based assessment of the mission and market effectiveness of Pakistan's leading bank focused on women entrepreneurs, working closely with the IFC, the State Bank of Pakistan, and the Ministry of Finance. SBI assessed the social sustainability and effectiveness of the bank's operations, as well as its market potential as a mission-based commercial finance institution. SBI led a high-level assessment of the bank's key operations and policies, including corporate governance, with a view to identifying and addressing key strengths and weaknesses. Based on these outcomes, SBI developed detailed financial projections and a proposed structure for the bank. SBI also developed a business model for the Bank as a whole, with a break down for the main business lines, as well as financial structure, including capital requirements, (with sensitivity analysis - ratio analysis), and an analysis of the impact on key stakeholders, including the MoF, the SBP, and other public and private entities. In consultation with key GoP stakeholders, SBI created and presented a strategic "roadmap" for restructuring and re-positioning the bank to achieve both mission and market success moving forward.

Pakistan Microfinance Network

SBI provides a core industry-strengthening and research team assigned to work seamlessly with the leadership of the PMN in several core areas, including industry surveys and analysis, key market surveys and analysis, public outreach and communications strategy, and policy review and advisory support to the State Bank of Pakistan, the Office of the Prime Minister, and other government and private bodies. Key initiatives led by the SBI team include launch of a National Microfinance Outreach Strategy targeting key policy-makers and decision-makers, a Five-Year Microfinance Industry Review, a National Savings Demand Survey, a survey on the Dynamics of Microfinance Competition in Lahore, a middle-management Human Resources Development Initiative, and an SME Finance Impact Survey.

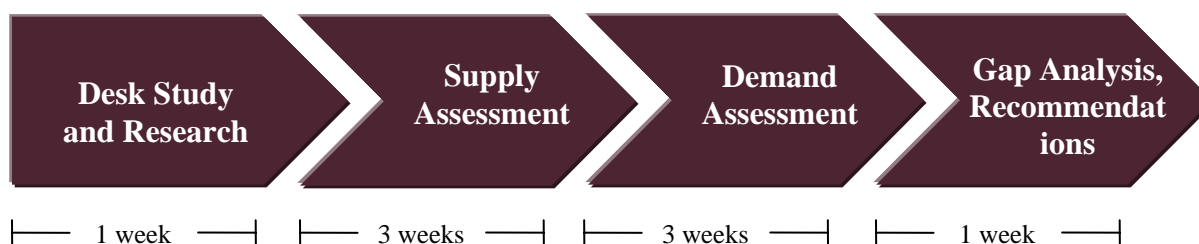
Aga Khan Rural Support Program

In 1988 SBI performed an assessment for the Aga Khan Foundation in Geneva of the credit program of the Aga Khan Rural Support Program, a large rural development organization in northern Pakistan. SBI was later invited in the mid-1990s to develop the business plan of an institution which would include a bank and finance company to serve the Northern regions of Pakistan. A bank charter was later granted under new microfinance-oriented banking regulations and the First MicroFinance Bank Ltd was established in 2002; it absorbed the credit operations of AKRSP and operates nationally. SBI continues to work with the leadership of the First MicroFinance Bank to support new product development and business process strengthening, and its former COO and Transformation Team Leader is a senior member of SBI's regional full-time team.

Pakistan: Acumen Fund

In fall 2004 SBI conducted an Underwriting Audit of the National Bank of Pakistan (NBP) on behalf of the Acumen Fund, a New York based non-profit investment company. Acumen is establishing the Pakistan Mortgage Guarantee Facility, which will facilitate mortgage financing for low to middle income public and private sector employees earning less than 10,000 rupees per month, in partnership with the Overseas Private Investment Corporation and the NBP. SBI assessed current capacity at the NBP in mortgage loan origination and underwriting including income verification and the ability to conduct a cash flow analysis on local entrepreneurs and small businesses. We also analyzed and evaluated the capacity for servicing and collection, and provided detailed recommendations for improving quality and efficiency at each stage of the underwriting process. In addition, a detailed review was made of the NBP's MIS and recommendations were made to improve their documentation and control reports.

TECHNICAL APPROACH AND METHODOLOGY



SBI's proposed technical assistance approach is comprised of 4 steps; which end with a gap analysis and further recommendations in the housing microfinance sphere. Like any complex, emerging market country Pakistan contains a host of political and social issues that effect the day-to-day existence of its citizens; which invariably spills into the populations economic lives. Throughout SBI's technical assistance engagement, the SBI Team will pay particular attention to the full or range of potential risks and challenges related to this endeavor. As part of our report, and communication with the Acumen team through out the assignment, SBI will document each risks and challenges, with subsequent recommendations of the most effective way each be addressed, managed or mitigated.

TASK I. DESK STUDY AND RESEARCH

(MACROECONOMIC INDICATORS, POLICIES AND REGULATORY FRAMEWORKS, AND PRE-EXISTING GOVERNMENT INTERVENTIONS IN HOUSING FINANCE)

In this initial phase of the engagement, SBI will conduct a thorough desk study of all literature to analyze both the demand and supply of housing finance in Pakistan, as well as the legal and regulatory environment for housing finance products. To do this, it will adopt the following, tested methodology described below.

The SBI team will gather data on the current status of the Pakistan economy, with a specific focus on the low-income sector, legal and regulatory frameworks, and housing finance for the poor. Macroeconomic and legal trends in Pakistan related to access to financing of micro-housing for the poor and their impacts, from both the supply and demand perspective will also be reviewed. Pre-existing Pakistan access to finance documents, such as the recently completed Access to Finance Study, the DFID/World Bank 2007-2008 survey, and any other housing microfinance reports will be reviewed extensively. Document review will seek to benchmark historical trends and the existing state of the legal/regulatory environment in Pakistan.

TASK II: SUPPLY SIDE: ASSESSMENT OF EXISTING HOUSING FINANCE SPACE

SBI will conduct an in-depth "supply-side" research assessment of the current housing finance market. The methodology will include both secondary and primary research tools.. SBI will leverage its existing networks and contacts to conduct background research and review of current materials and documentation related to Housing Finance and Microfinance in Pakistan, including reports on government (federal, state, or municipal level) and international donor initiatives; government reporting on the financial sector; materials regarding the level of the supply of low-income housing and low-income housing finance. The team will conduct interviews with representatives from financial institutions in Pakistan, including but not limited to: Kashf Microfinance, First Microfinance Bank,

DAMEN and Khushali Bank as well as leveraging existing relationships with, HBFC and other financial institutions currently involved in the housing finance space.

TASK III: MARKET DEMAND ASSESSMENT

Based on the information gathered during Phase 1, SBI will construct the demand-side assessment tool. Part of this task will include reviewing existing SBI demand-side templates and interview guidelines which may be used to supplement the assessment tool which the Consultant builds. The assessment tool will be built on the premise of providing stakeholders with a clear understanding of who their existing and potential clients are, where they are located and what types housing finance products and services they desire and can afford. Particular attention will be paid to what, if any demand-side differences can be identified across the different markets (Karachi, Lahore, Faisalabad, Rawalpindi and Multan).

Topics discussed and information gathered by the assessment tool will include:

- Potential client profile; including demographics, location, home ownership structure and family income and expense structure.
- Details of current loan and/or housing products in use by the target market, potential maximum debt burden and capacity/willingness to repay future loans and preferred loan tenor and repayment options.
- Demand for new homes as well as home improvement; type and cost of new homes and home improvement over the recent past, client interest in buying new homes or undertaking home improvements; clients willingness and capacity to borrow for new home/home improvement.

Research methodology:

SBI proposes utilizing focus groups, in addition to expert interviews and secondary research to provide both qualitative and quantitative analysis of the market.

We recommend the use of focus groups for primary research for several reasons:

- Focus groups are excellent tools for exploratory research, enabling moderators to probe responses and expand the scope of information learned;
- Focus groups will enable us to collect a large amount of complex data in a relatively short period of time; and
- Given the size of the Pakistan market, the potential variability among regions, and the time and funds allotted, we believe focus groups will provide statistically relevant, albeit qualitative data
- The qualitative data collected through the focus groups will complement the data survey resultants compiled by [the other firm who will be conducting the survey]

TASK IV: GAP ANALYSIS AND RECOMMENDATIONS

Based on the market assessment and desk research, SBI will develop a comprehensive “Gap Analysis Matrix” on the basis of international housing finance best practices which will allow for information

to be easily sorted by technical/strategic category, and market gaps identified. This tool will drive formulation of a field assessment strategy, which will focus time and resources on clarifying information related to information gaps that have been identified. Using the results of the market analysis and international best practices SBI will present a range of potential housing finance products that would meet the demand amongst the target market while accounting for the risk and return expectations of lenders in the industry.

TEAM COMPOSITION

The SBI Team will be led by Zaigham Mahmood Rizvi, with technical support from SBI technical personnel in Islamabad, Lahore and Karachi.

Zaigham Mahmood Rizvi, Technical Team Leader – Mr. Rizvi has 30+ years of field experience across various sectors with an emphasis on development banking and housing finance. Since 2007, Mr. Rizvi has worked as a consultant for the World Bank in the housing and house financing department. In this capacity he has conducted a diagnostic study of the Bangladesh House Building Finance Corporation, served as the IFC's Nominee Director on the Board of Palestinian Mortgage & Housing Corporation-PMHC and worked on the World Bank's Technical Assistance Program for design and execution of a large scale Affordable Housing Initiative in Palestine. Recently Mr. Rizvi has also advised the State Bank of Pakistan and assisted the Central Bank's role in its plans to both promote and regulate housing, real estate and infrastructure sectors. From 2005 to present Mr. Rizvi has served as the both the Chairman and MD of the House Building Finance Corporation in Pakistan. Mr. Rizvi has an MBA from Oklahoma State University and a BA in Economics from Punjab University.

Jamil Ahmad, Technical Field Leader – Is a Senior Technical Advisor for the USAID sponsored project in Pakistan for Advancing Microfinance for Post-disaster Economic Reconstruction in the earthquake affected region of Azad Jammu & Kashmir. Mr. Jamil has 12 years of experience in the microfinance industry. He worked in operations, alliances, training and development with leading microfinance institutions of Pakistan. Mr. Jamil specializes in policy development and implementation, operations management, process reengineering, product development, training module development and financial modeling and financial analysis. Mr. Jamil is a Cost and Management Accountant and Certified Financial Consultant. He is a certified microfinance trainer and was a Boulder Graduate in 2006. He speaks Pashto and basic level of Persian.

Mr. J.D. Crouch, Project Oversight - Mostly recently Mr. Crouch served as SBI's SME Manager and Advisor on the USAID-funded ARIES project which promoted bank downscaling/upscaling to increase access to finance for Afghan SMEs. In this capacity Mr. Crouch lived and worked in Afghanistan for 1.5 years and was responsible for a variety of cross-cutting activities which included managing the relationships of 5 partner banks, including FMFB. Mr. Crouch liaised with Bank Senior Management on the implementation and day-to-day operations of their SME departments and provided strategic/technical advice on a range of issues such as product design, marketing, monitoring and evaluation, training and contracts. His activities with partner banks also included providing hands-on field technical assistance to partner bank loan officers in provinces. This technical assistance included credit appraisal of businesses using qualitative and financial analysis. Mr. Crouch also assisted in the design and delivery of SME training to 100+ Afghan SME loan officers. Additionally, Mr. Crouch helped build the technical capacity of SME department at a US\$100 mil wholesale SME/Microfinance fund - The Microfinance Investment Support Facility for Afghanistan (MISFA). His primary activity at MISFA was the day-to-day supervision and training of 3 MISFA Credit Analysts to provide on-going technical field assistance to SME partners. Prior to working at SBI, Mr. Crouch was a consultant and project manager at the Emerging Markets Group.

Ms. Hina Ghaffar, Field Support – An Engagement Specialist, based in Lahore, comes with significant experience in providing hands on technical assistance to microfinance and commercial banks in delinquency and portfolio management, credit operations, new product development, cash flow based lending and portfolio reviews. She has provided capacity building services to Tameer Microfinance Bank, Asasah, Kashf Foundation and Standard Chartered. Most recently, she is managing a project on providing consultancy to

National Bank of Pakistan on designing SME lending products. A graduate from Boulder course on microfinance she is also a certified microfinance trainer by ADBI, the World Bank and UNCDF. Ms. Hina has developed and delivered trainings to over 350 field staff and branch managers and holds a Masters degree in Finance and Economics.

Murtaza Ghazi, Field Support - An analyst who is based in Karachi. He completed a Master degree in Finance in 2006. Subsequently, he started his career with Orix Leasing Pakistan Ltd. as Credit Officer/Risk Analyst. During the two years of services, he reviewed several credit proposals which include both existing businesses and new projects for the risk assessment of assets and the management and the financial risk. Presently, he is working on a consultancy project i.e. 'Small Enterprise Lending' providing to National Bank of Pakistan and he is looking after the partial Karachi region. He possesses expertise in financial calculations and has good command of accounting.

BUDGET

We are pleased to offer to provide consulting services to Acumen Fund in accordance with your Request for Proposal and our Proposal (Technical and Financial Proposals). Our Financial Proposal is for the sum of thirty three thousand and seven hundred, \$37,000 USD. This amount is inclusive of VAT and any other applicable taxes. Our pricing reflects the project scope, proposed timetable, and staffing levels detailed herein. SBI is pleased to offer this significantly discounted pricing to accommodate Acumen Fund's budget constraints as SBI believes this project is very important to the development of the sector in Pakistan and desires to build a business relationship with Acumen Fund for the long term.

Consultant	Proposed Position	Daily Rate	Days	Total Fees
Mr. Zaigham Rizvi	Technical Team Leader	\$ 850.00	15	\$ 12,750.00
Mr. Jamil Ahmad	Team Leader	\$ 250.00	20	\$ 5,000.00
Ms. Hina Ghaffar	Field Support	\$ 200.00	20	\$ 4,000.00
Mr. J.D. Crouch	Project Oversight	\$ 500.00	12	\$ 6,000.00
Mr. Murtaza Ghazi	Field Support	\$ 150.00	20	\$ 3,000.00
Professional Fees Total				\$30,750.00

Reimbursable Expenses

Item		Amount	Unit Cost	Total Cost
International Travel	Trip	1	\$2,500	\$ 2,500.00
Domestic Travel	Trip	2	\$ 300.00	\$ 600.00
Perdiem - Lodging Short Term Consultants	Trip	10	\$ 150.00	\$ 1,500.00
Local Transportation	Month	2	\$ 300.00	\$ 600.00
Airport Transfers	Trip	2	\$ 100.00	\$ 200.00
Communications & Delivery	Month	1	\$ 500.00	\$ 500.00
Medical Evacuation Insurance	Consultant	1	\$ 50.00	\$ 50.00
Miscellaneous		1	\$ 300.00	\$ 300.00
Reimbursable Expenses Total				\$ 6,250.00
Total Project Budget				\$ 37,000.00

ANNEX 1: PROPOSED WORKPLAN

SBI Proposed Project Workflow									
Months	Month 1				Month 2				
Tasks and Subtasks	1	2	3	4	5	6	7	8	9
Task 1: Desk Study and Research									
Task 2: Supply Assessment									
Task 3: Demand Assessment									
Task 4: Gap Analysis, Recommendations									
									▲
▲	Final Report and recommendations								

ANNEX 2: SUMMARY TABLE OF SBI INTERNATIONAL HOUSING ENGAGEMENTS

CLIENT	SELECT PROJECTS PERFORMED BY SBI IN HOUSING FINANCE
<p>First Microfinance Bank, Afghanistan</p>	<ul style="list-style-type: none"> • Technical Assistance & Training: SBI is providing a full-time Resident Advisor to FMFB Afghanistan to further implement its housing microfinance products and services and build institutional and technical capacity. The SBI resident advisor will also develop and deliver training modules for loan officers and management. • Toolkit Development and Deployment: SBI resident advisor will develop a tool kit to be used in Afghanistan as a first step towards rolling it out to additional MENA markets.
<p>Mortgage SOFOLES Program, Mexico</p>	<ul style="list-style-type: none"> • Diagnostics: Implementing an IFC-funded project in Mexico that seeks to enhance operational capacities at second-tier SOFOLES, non-banks regulated financial institutions, specializing in housing finance • Toolkit Development: SBI adapted the IFC Mortgage Toolkit for the Mexican housing market so that it can serve as a basis of processes and procedures and guide to best practices for each SOFOL included in the IFC-funded project in Mexico • Strategic Planning Workshops: Developed a series of workshops to guide the management of mortgage finance companies in embarking on a strategic planning process, beginning with questions like, “Where are we?”, “Where do we want to go?”, and culminating with “How do we get there?”
<p>Study of the Housing Finance/Microfinance Sector in Afghanistan</p>	<ul style="list-style-type: none"> • A housing finance industry assessment based on two main components: policy framework and housing finance identification • The assessment encompassed both mortgaged and non-mortgaged property and investigates options for housing microfinance specifically
<p>SOA Kredit, USAID & OPIC, Azerbaijan</p>	<ul style="list-style-type: none"> • Creation of a de novo non-bank financial institution in the Azeri market to provide small business and the first housing loans in the country. SBI facilitated and sold new shares to attract a majority equity investment from TBC Bank of Georgia, a regional commercial bank, which will enable the institution to seek a banking license.
<p>IFC, Housing Finance Department, Mortgage Finance Toolkit for Africa</p>	<ul style="list-style-type: none"> • Developed a set of standardized mortgage loan policies and procedures, operations manuals, and other tools for use across Africa on behalf of IFC. The goal is to jumpstart consistent mortgage lending approaches in Africa to set the stage for securitization at a later point • SBI team interviewed local banks for input on the standardized toolkit, which were localized on a case by case basis with partner institutions
<p>USAID (under Chemonics International), Egypt Financial Services Program</p>	<ul style="list-style-type: none"> • SBI’s mandate is to build the capacity of primary housing finance providers in Egypt. SBI performed a training needs assessment of mortgage lenders in Egypt and delivered a series of trainings to create a permanent training capacity for primary mortgage lenders in Egypt, including loan origination, processing and servicing
<p>Morocco Global Financial Innovations Partnership, Global</p>	<ul style="list-style-type: none"> • As part of a Global Development Alliance with USAID, SBI built linkages between the formal financial sector and slum dwellers in Morocco. The goal of the program was to bring commercial sources

<p>Development Alliance (GDA)/CGAP Retail Platforms Project, Morocco</p>	<p>of finance to underserved low income populations through client income and demand surveys, new product design, financial literacy training for the poor, and development of new methodologies to serve the informal sector.</p> <ul style="list-style-type: none"> • SBI developed a Retail Platform with a local commercial bank in Morocco, which reached slum dwellers at pilot locations in the slum communities • SBI worked with local MFIs to explore new housing microfinance products and build linkages to commercial banking partners
<p>National Bank of Pakistan, Karachi, on behalf of Acumen Fund</p>	<ul style="list-style-type: none"> • Assessed organizational capacity for making large volume of low income housing loans. Reviewed IT and MIS systems, loan officer capacity. Developed recommendations for improvements to support large volume housing lending
<p>TBC Bank, Georgia Bank of Georgia</p>	<ul style="list-style-type: none"> • The program launched the first mortgage lending in the Republic of Georgia in 2000. SBI actively assisted with the design new lending products and providing extensive training for bank staff. • Helped originate \$3.6 million in mortgage in 24 months, with an average size of about \$9,000. Less than 1% of the loans made were more than 30 days past due
<p>IFC, Canadia Bank, Cambodia</p>	<ul style="list-style-type: none"> • Created mortgage finance department at leading Cambodian commercial bank • Developed loan underwriting policies and procedures for newly established department. Oversaw the initiation of the first mortgage loans (82 for over \$3 million in commitments in first 6 months)
<p>Romanian American Enterprise Fund (RAEF)/Domenia Credit</p>	<ul style="list-style-type: none"> • Established the country's first dedicated housing finance company, Domenia Credit, which was later sold in part to GE Money • Helped secure loan capital from Raiffeisen Bank with USAID DCA guarantee • Advised on the disbursement on nearly \$2.8 million in residential mortgages to 196 borrowers
<p>South Africa Global Financial Innovations Partnership, GDA</p>	<ul style="list-style-type: none"> • As part of a Global Development Alliance with USAID, SBI built linkages between microfinance NGOs and private commercial banks. • SBI provided technical assistance to Kuyasa, a microfinance NGO in risk management and internal controls
<p>Trust for Urban Housing Fund (TUHF), South Africa</p>	<ul style="list-style-type: none"> • ShoreBank multi-family housing and SBI staff have provided mentorship and advisory work to TUHF since its inception in 2003. Work has included: assistance in strategic planning and general troubleshooting, selection of loan and accounting systems, assistance on the policies, procedures, and loan form documentation for its operations. • TUHF and ShoreBank staff have engaged in peer learning exchanges, with TUHF CEO and other staff traveling to spend weeks of mentorship in Chicago with ShoreBank multi-family lenders, and ShoreBank and SBI staff traveling to TUHF to provide on-site assistance and mentorship.

ANNEX 3: CURRICULA VITAE

ZAIGHAM MAHMOOD RIZVI

Name of Firm: ShoreBank International Ltd.

Name of Staff: Zaigham Mahmood Rizvi

Profession: Expert Consultant

Date of Birth: February 1, 1948

Nationality: Pakistani

Membership in Professional Societies:

- Nominee Director on the Boards of various corporate entities in financial and manufacturing sectors including Islamabad Stock Exchange, Karachi Stock Exchange, and National Commodities Exchange of Pakistan.
- Regular speaker at various training courses, workshops, and seminars in banking, finance, and economics
- Founder and Ex-Chairman of Mutual Funds Association of Pakistan
- Founder and Current Chairman of Association of Mortgage Bankers of Pakistan
- Vice Chairman of Association of Development Finance Institutions in Asia and Pacific (ADFIAP) representing 72 financial institutions from 35 member countries

Key Qualifications: Overall 35 years of professional experience in various fields including Housing Finance, Development Banking, Manufacturing, and Academics.

Education:

<i>Institution</i>	Oklahaoma State Univeristy, USA
<i>Graduated</i>	1977
<i>Degree/Diploma</i>	M.B.A.
<i>Institution</i>	Punjab University, Lahore, Pakistan
<i>Graduated</i>	1973
<i>Degree/Diploma</i>	M.A. Economics
<i>Institution</i>	Engineering University, Lahore, Pakistan
<i>Graduated</i>	1970
<i>Degree/Diploma</i>	M.Sc. Engineering

Employment Record:

<i>Date:</i>	2007-to date
<i>Location:</i>	Pakistan, Bangladesh, South Asia, Palestine
<i>Company:</i>	World Bank Group
<i>Position:</i>	Consultant
<i>Description:</i>	<ul style="list-style-type: none">• Working as a Consultant in the area of Housing and Housing Finance.• Conducted a diagnostic study of the Bangladesh House Building Finance Corporation (BHBFC) with the aim of developing a possible reform and rehabilitation program for BHBFC. Similar assignments in South Asia Region are in process.• Serving as IFC's Nominee Director on the Board of Palestinian Mortgage &

	<p>Housing Corporation-PMHC. The assignment involves advising IFC on action plan to revive and restructure the company to ensure its viability and sustainability.</p> <ul style="list-style-type: none"> Involved in the World Bank's Technical Assistance Program for design and execution of large scale Affordable Housing Initiative in Palestine.
<i>Date:</i>	2008- 2009
<i>Location:</i>	Pakistan
<i>Company:</i>	State Bank of Pakistan
<i>Position:</i>	Advisor
<i>Description:</i>	<ul style="list-style-type: none"> Assisted Pakistan's Central Bank in its plans to play a proactive role in promotion and regulation of housing, real estate and infrastructure sectors.
<i>Date:</i>	2005 to 2008
<i>Location:</i>	Pakistan
<i>Company:</i>	House Building Finance Corporation
<i>Position:</i>	Chairman and MD
<i>Description:</i>	<ul style="list-style-type: none"> Initiated Pakistan's first "Small and Medium Housing (SMH)" finance program targeting low and middle income groups. Recovered large amounts of default loans and transformed a massive non-performing loan portfolio into performing assets through aggressive loan recovery programs. HBFC experienced a total turnaround from an ailing financial institution to a pro-active, socially responsible and commercially viable housing finance entity in only three years. Implemented a comprehensive reforms program covering human resource development, preparation of systems and manuals, computerized the loan origination process, etc. HBFC attained ISO 9001-2000 Certification under my tenure. Improved corporate culture and staff morale. Enhanced market image through improved customer service; elicited International Finance Corporation's (IFC) technical support for development of long-term Business Plan, and Capacity Building Program. Instituted the Social Housing Company which specializes in development of housing for the low and middle income groups and the Social Housing Bank which focuses on the financing for micro-housing. Introduced Securitization of Mortgage, Mortgage Backed Debt Obligation (Sukuk or Islamic Bonds), also introduced Pakistan's first Sharia-compatible REIT (<i>i</i>-REIT).
<i>Date:</i>	2001 – 2005
<i>Location:</i>	Pakistan
<i>Company:</i>	Pak-Kuwait Investment Company
<i>Position:</i>	Managing Director
<i>Description:</i>	<ul style="list-style-type: none"> Increased balance-sheet size, profitability, and shareholders equity to unprecedented levels; four-year average profit was three times the highest ever annual profit in all previous years. Attained "AAA" credit rating by two agencies, Corporate Governance Rating of CGR-9 (on a scale of 10) as well as ISO Certification, making this the first financial sector institution in Pakistan with all these honors.

	<ul style="list-style-type: none"> Company was also awarded ADFIAP's 'Corporate Governance Award for its initiative and pro-active compliance of Corporate Governance Standards.
<i>Date:</i>	1996 – 2001
<i>Location:</i>	Pakistan
<i>Company:</i>	Pak-Libya Holding Company (A Joint-Venture Financial Institution between Governments of Pakistan and Libya)
<i>Position:</i>	Managing Director
<i>Description:</i>	<ul style="list-style-type: none"> Increased balance-sheet size, profitability, and shareholders equity. Improved credit rating from "A" to "AA" and secured ISO Certification. Improved market standing and perception
<i>Date:</i>	1986 – 1996
<i>Location:</i>	Pakistan
<i>Company:</i>	Saudi-Pak Industrial & Agricultural Investment Company (A Joint-Venture Financial Institution between Governments of Pakistan and Saudi Arabia)
<i>Position:</i>	Senior Executive Vice President
<i>Description:</i>	<ul style="list-style-type: none"> Served in all functional areas, namely Merchant Banking, Development Banking, Project Financing, Monitoring, Administration, and Corporate Affairs. Actively coordinated with Saudi Government to set up industries with an export potential from Pakistan to Saudi Arabia.
<i>Date:</i>	1979 - 1986
<i>Location:</i>	Oman
<i>Company:</i>	Oman Development Bank
<i>Position:</i>	Head of Project Department
<i>Description:</i>	<ul style="list-style-type: none"> A member of the Bank's start-up team. Worked with Ministries of Industry and Commerce to identify industrial projects for diversifying Oman's economic base from oil to non-oil sectors. Most of the industrial projects set up during that period are now the shining stars of the Muscat's Securities Market.
<i>Date:</i>	1977 - 1979
<i>Location:</i>	Pakistan
<i>Company:</i>	Industrial Development Bank
<i>Position:</i>	Senior Officer
<i>Description:</i>	<ul style="list-style-type: none"> Involved in the troubleshooting of troubled industrial projects and sectors.

Language skills: [For each language indicate proficiency: excellent, good, fair, or poor in speaking, reading, and writing.]

Language	Reading	Speaking	Writing
English	5	4	4
Urdu	5	5	5

JAMIL AHMAD

Name of Firm: ShoreBank International Ltd.

Name of Staff: Jamil Ahmad

Profession: Senior Technical Advisor – AMPER, ShoreBank International Pakistan

Date of birth: January 1, 1966

Nationality: Pakistani

Years within the firm: Four months

Membership of professional bodies:

Member of Financial Consultants

Key qualifications (relevant to the programme):

Microfinance advisor/Expert

Education: Cost & Management Accountant & MBA in progress

<i>Institution</i>	Govt National College - University of Karachi
<i>Graduated</i>	1986-1989
<i>Degree/Diploma</i>	Bachelor of Commerce
<i>Institution</i>	Institute of Cost & Management Accountant of Pakistan
<i>Graduated</i>	1992-2002
<i>Degree/Diploma</i>	Intermediate & Finalist
<i>Institution</i>	Institute of Financial Consultants
<i>Graduated</i>	2004
<i>Degree/Diploma</i>	Certified Financial Consultant
<i>Institution</i>	ITC – ILO Turin
<i>Graduated</i>	MFT 2006
<i>Degree/Diploma</i>	Boulder Microfinance Course

Professional Experience Record

<i>Date:</i>	November 2004 to December 2006
<i>Location:</i>	Chitral & Islamabad
<i>Company:</i>	The First MicrofinanceBank Ltd. Pakistan
<i>Position:</i>	Regional Manager, Chitral region & Manager Training & Development in HO Islamabad
<i>Description:</i>	Microfinance operations management in Chitral & Staff capacity building and managing T&D activities across country 300 plus staff

<i>Date:</i>	November 2003 to October 2004
<i>Location:</i>	Lahore – Pakistan
<i>Company:</i>	Kashf Foundation
<i>Position:</i>	Manager Operations

<i>Description:</i>	Managing microfinance operations in urban & rural Punjab
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<i>Date:</i>	November 2001 to October 2003
<i>Location:</i>	Punjab, Baluchistan, NWFP, Sindh and HO Islamabad
<i>Company:</i>	Khushhalibank
<i>Position:</i>	Manager Operations & Manager Alliance Operations & staff capacity building
<i>Description:</i>	Managing microfinance operations in rural Punjab, Sindh, Balchistan and NWFP and as Alliance Operations Manager worked with partners for enhancing microfinance access in rural areas of Pakistan

<i>Date:</i>	June 1996 to October 2001
<i>Location:</i>	Northern Areas & Chitral
<i>Company:</i>	The Aga Khan Rural Support Program HO Gilgit
<i>Position:</i>	Microfinance Analyst & Manager
<i>Description:</i>	Operations management and operations analysis in program area.

Others:

Developed feasibility and business plan for projects initiated by AKRSP
 Contributed towards MIS development in AKRSP, Kashf

Publications:

Developed operation manual, alliance manual, training modules for Khushhalibank,
 Revised operational manual for Kashf
 Developed loan product systems & procedures for FMFB
 Developed training manuals for FMFB

Language skills: (Mark 1 to 5 for competence, 5 being the highest)

Language	Reading	Speaking	Writing
English	5	4	4
Urdu	5	5	5
Poshtu	3	4	3
Punjabi	3	3	3
Persian	3	3	3

JOHN DAVID CROUCH

Name of Firm: ShoreBank International Ltd.

Name of Staff: John David Crouch

Profession: Consultant

Date of Birth: December 18, 1971

Years with Firm/Entity: 1.5

Nationality: USA

Key Qualifications:

- 5 years of development sector experience.
- Lived and worked in Afghanistan as SBI's SME Manager and Advisor on the USAID-Funded ARIES project which aimed to increase access to finance for Afghan businesses through bank upscaling or downscaling.
- Liaised with Bank Senior Management of 5 bank partners, including FMFB, on the implementation and day-to-day operations of their SME departments during the course of work on ARIES. Also, provided strategic and technical advice on a range of issues such as product design, marketing, monitoring and evaluation, training and contracts.

Education:

<i>Institution</i>	Georgia State University
<i>Graduated</i>	TBA, Spring '09
<i>Degree/Diploma</i>	MA/Political Science
<i>Institution</i>	College of Charleston
<i>Graduated</i>	1996
<i>Degree/Diploma</i>	BA/Liberal Arts

Professional Experience:

<i>Date:</i>	October, 2008 – current
<i>Location:</i>	Washington, DC
<i>Company:</i>	ShoreBank International
<i>Position:</i>	Consultant
<i>Description:</i>	<ul style="list-style-type: none"> • Proposal Writing • Off-site technical assistance for various projects • Project Management • Business Development
<i>Date:</i>	April 2007 – September 2008
<i>Location:</i>	Kabul, Afghanistan
<i>Company:</i>	ShoreBank International
<i>Position:</i>	SME Manager and Advisor
<i>Description:</i>	<ul style="list-style-type: none"> • Full-time SME Lending Advisor-Relationship Manager on a US\$80 million, 3-year USAID supported program to promote bank

	<p>downscaling and increase access to finance for Afghan SMEs.</p> <ul style="list-style-type: none"> • Manage a credit line of total US\$15 million to 4 commercial bank partners and 1 microfinance institution. To date, bank partners have disbursed \$9.5 mil to 400+ SMEs. • Liaise with Bank Senior Management on the implementation and day-to-day operations of their SME departments. Provide strategic and technical advice on a range of issues such as product design, marketing, monitoring and evaluation, training and contracts. • Provide hands-on field technical assistance to partner bank loan officers in provinces. TA includes marketing of loan application and credit appraisal of businesses using qualitative and financial analysis. • Designed and delivered SME lending training to 100+ Afghan SME loan officers of commercial bank partners. • Assist in building the technical capacity of SME department at a US\$100 mil wholesale SME/Microfinance fund - The Microfinance Investment Support Facility for Afghanistan (MISFA). • Supervise and train 3 MISFA Credit Analysts to provide on-going technical field assistance to SME partners. • Provide oversight on day-to-day, in-country operational and administrative issues such as project finance and accounting, security and logistics.
<i>Date:</i>	June 2005 – April 2007
<i>Location:</i>	Washington, DC
<i>Company:</i>	Emerging Markets Group
<i>Position:</i>	Consultant
<i>Description:</i>	<ul style="list-style-type: none"> • Served as Coordinator, in Kabul and D.C., for the Afghanistan Commercial Legal and Institutional Reform Assessment. • Provided support for the Economic Growth division, including proposal development and coordination; business development and marketing, as well as project management. • Served as Project Manager for Romanian Financial Market Reforms Project (value: \$7 million) and Project Coordinator for Bosnia Fostering Investment and Lending Friendly Environment (value: \$3 million). Primary tasks include; providing budgeting as well as overall financial analysis and management, liaising with our project teams in Bucharest and Sarajevo to manage, address and resolve day-to-day operational issues, acting as the primary interface between our company and our client the United States Agency for International Development. • Conducting research for; foreign market surveys, business development and overall corporate strategy.
<i>Date:</i>	January 2002 – February 2003
<i>Location:</i>	Atlanta, GA
<i>Company:</i>	Warranty Corporation of America

<i>Position:</i>	Business Development/Project Manager
<i>Description:</i>	<ul style="list-style-type: none"> • Managed telecom accounts which had combined yearly revenues of over \$15 million. • Responsibilities for these accounts included addressing and coordinating the logistics of sales, marketing and IT solutions with outside clients and internal managers, in addition to resolving any and all related issues in a timely manner. • Supervised simultaneous product launches for clients. • Acted as the liaison between Warranty Corporation's Atlanta and Canadian office to address and resolve all internal issues between offices, from purchasing to IT.
<i>Date:</i>	August 2000 – January 2002
<i>Location:</i>	Atlanta, GA
<i>Company:</i>	ManicMascots
<i>Position:</i>	Manager
<i>Description:</i>	<ul style="list-style-type: none"> • Authored and presented strategic business plan that resulted in a start-up capital commitment of \$250,000. • Hired and managed a staff of programmers, artists and technicians tasked with product design and development. • Monitored the progress of our mission to create a viable commercial product against business and financial goals. • Developed projected plans based on long and short-term goals. • Negotiated a licensing agreement with the Collegiate Licensing Company to create, market and sell the ManicMascots product for 20 colleges and universities. • Managed expenses and day-to-day administrative tasks
<i>Date:</i>	June 1997 – June 1999
<i>Location:</i>	Astana, Kazakhstan
<i>Company:</i>	Peace Corps
<i>Position:</i>	Volunteer
<i>Description:</i>	<ul style="list-style-type: none"> • Established the English Resource Center of Astana, Kazakhstan. The Center's main mission was to provide educational resources, at the local and oblast level, to students and teachers of English. • Taught conversational English to 200+ middle and high school students per week. • Provided monthly training seminars to colleagues which focused on interactive teaching techniques as a means to improve the conversational English skills of their students.

Publications:

Language skills: (Mark 1 to 5 for competence, 5 being the highest)

Language	Reading	Speaking	Writing
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English	5	5	5
Russian	2	2	1

HINA GHAFAR

Name of Firm: Shorebank International

Name of Staff: Hina Ghaffar Qureshi

Profession: Senior Analyst

Date of Birth: 14th June, 1982

Years with Firm/Entity: 2 Years

Nationality: Pakistani

Key Qualifications:

- More than three years of working experience in providing technical assistance to microfinance and commercial banks in delinquency management, new product development and portfolio reviews.
- One year experience in a leasing company as a Credit Officer
- Developed and delivered trainings to around 350 field staff and branch management for the leading microfinance organizations in Pakistan.
- Certified as a microfinance trainer by the Asian Development Bank Institute, the World Bank and the United Nations Capital Development Fund
- Graduate of the Boulder Microfinance Training Program in Turin, Italy

Education:

<i>Institution</i>	University of the Punjab
<i>Graduated</i>	2006
<i>Degree/Diploma</i>	Masters in Economics
<i>Institution</i>	Institute of Administrative Sciences
<i>Graduated</i>	2004
<i>Degree/Diploma</i>	Masters in Finance
<i>Institution</i>	Hailey College of Commerce
<i>Graduated</i>	2002
<i>Degree/Diploma</i>	Bachelors in Commerce

Employment Record:

<i>Date:</i>	Dec. 2005 - to-date
<i>Location:</i>	Pakistan
<i>Company:</i>	ShoreBank International
<i>Position:</i>	Senior Analyst
<i>Description:</i>	<p>A key member of consulting teams providing credit-focused technical assistance to the leading financial institutions in Pakistan, including the following signature assignments:</p> <p>Tameer Microfinance Bank</p> <ul style="list-style-type: none"> ➤ Diagnosed repayment patterns in a large, dynamic and fast growing microfinance bank. Through analysis of portfolio patterns (disbursements, outstanding amount, term mix, average loan size, etc.) successfully identified solutions for delinquency management. ➤ Redesigned credit delivery system through process mapping for efficiency and portfolio quality. ➤ Designed MIS reports for more efficient credit process management. <p>Kashf Foundation</p> <ul style="list-style-type: none"> ➤ Key member of consulting team preparing Kashf Foundation's credit risk management practices for transfer into a newly launched microfinance bank. ➤ Reviewed Kashf's credit risk management policies and procedures, its individual lending portfolio and provided recommendations for future steps for delinquent loans. ➤ Developed and delivered training to Individual Lending Loan Officers and Branch Managers. <p>Asasah</p> <ul style="list-style-type: none"> ➤ Designed, pilot tested, refined and launched new credit product that has successfully kept PAR under 1%. ➤ Led a team providing on-site mentoring of the loan officers and overall monitoring of staff and branch product roll-out. ➤ Designed and delivered extensive training programs to front line and head office staff. ➤ Advised organizational structure and job functions of key staff. <p>Trainings:</p> <ul style="list-style-type: none"> ➤ Developed and delivered Microfinance sector-wide training on "Credit Risk Analysis and Management for Middle Managers" ➤ Developed and delivered institution specific trainings for loan

	<p>officers and middle managers. Trained around 350 field and branch staff.</p> <p>Standard Chartered Bank Diagnosed the root causes of an agricultural product's delinquencies and advised Standard Chartered Bank on developing policies and procedures to fix core problems.</p> <p>Pakistan Poverty Alleviation Fund: Developed a spreadsheet for assessing the financial and operating performance of PPAF's partner organizations.</p> <p>National Bank Of Pakistan: Leading a team of professionals who is involved in SME lending program development for NBP, Training of credit staff, Risk grading and analysis of the credit proposals prepared by NBP loan officers.</p>
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<i>Date:</i>	Apr 2005- Dec. 2005
<i>Location:</i>	Lahore, Pakistan
<i>Company:</i>	Saudi Pak Leasing Company Limited
<i>Position:</i>	Officer Corporate Finance
<i>Description:</i>	<p>Preparation of corporate credit proposals</p> <ul style="list-style-type: none"> • Evaluation, appraisal and screening of credit proposals including the assessment of adequacy and sufficiency of collateral/security documents to assess risks before submission to the approving authorities. • Comprehensive financial analysis and interpretation of financial position of the proposed corporate clients. • Resolution of queries raised by approving authorities. • Preparation of credit documentation. • Preparation of documents for repossession of the leased assets.

Languages:

Language	Reading	Speaking	Writing
English	5	3	4
Urdu (Native)	5	5	5
Punjabi	4	3	3

Certification:

I, the undersigned, certify that to the best of my knowledge and belief, these data correctly describe me, my qualifications, and my experience.



Date: 25th February, 2009
Day/Month/Year

Full name of staff member: Hina Ghaffar Qureshi

Full name of authorized representative:

Murtaza Ghazi

Name of Firm: ShoreBank International Limited

Name of Staff: Murtaza Ghazi

Profession: Consultant

Date of Birth: March 27, 1985

Years with Firm/Entity: 03 months

Nationality: Pakistani

Key Qualifications:

Over 2 years of credit/risk analysis experience covering both existing businesses and new projects for the risk assessment of assets and the management and the financial risk.

Proficient in providing technical assistance on Cash Flow based Lending to financial institutions.

Possess expertise in financial calculations and have good command of accounting.

Recent assignments

National Bank of Pakistan, Karachi – (*Dec '08 till to date*) Presently working on a consultancy project i.e. 'Small Enterprise Lending' in which providing Field-based technical assistance on Cash flow based lending to support the roll out of SME lending in partial Karachi region.

Orix Leasing Pakistan Limited, Karachi – (*Jan '07 – Nov '08*) Reviewed over 90 credit proposals which include both existing businesses and new projects for the risk assessment of assets and the management and the financial risk. It also includes extensive ratio analysis and its comments and preparation of credit memorandum for the decision making authorities.

Education:

<i>Institution</i>	Institute of Business Management (IoBM)
<i>Graduated</i>	Post-graduation in 2006
<i>Degree/Diploma</i>	MBA (Major in Finance)
<i>Institution</i>	Institute of Business Management (IoBM)
<i>Graduated</i>	Graduation in 2005

<i>Degree/Diploma</i>	BBA (Hons); Major in Finance
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Employment Record:

<i>Date:</i>	December 2008 – Present
<i>Location:</i>	Karachi (Pakistan)
<i>Company:</i>	ShoreBank International Ltd.
<i>Position:</i>	Analyst
<i>Description:</i>	<ul style="list-style-type: none"> ▪ A member of consulting team providing technical assistance to leading national financial institutions in Karachi. ▪ On-site technical assistance to support the roll out of new SME underwriting techniques and new SME loan products. ▪ Portfolio review reporting of partner organization

<i>Date:</i>	January 2007 – November 2008
<i>Location:</i>	Karachi (Pakistan)
<i>Company:</i>	Orix Leasing Pakistan Limited
<i>Position:</i>	Credit Officer/Risk Analyst
<i>Description:</i>	<ul style="list-style-type: none"> ▪ Evaluation of lease / short term financing / factoring facility proposals received from all over Pakistan. ▪ Risk assessment of assets, management, financial statements and preparation of credit report for the senior management in Pakistan and Japan. ▪ Finalized more than 90 lease / short term financing / factoring facility proposals. ▪ Responsible for preparing and sending credit reports to various financial institutions on enquiries received.

Relevant Trainings:

- Cash Flow Based Lending to SMEs - ShoreBank International Ltd.
- Problem loans: Early warning signals and management - The Institute of Bankers Pakistan, Karachi.

Languages:

Language	Reading	Speaking	Writing
English	Excellent	Excellent	Excellent
Urdu (native)	Excellent	Excellent	Excellent

Certification:

I, the undersigned, certify that to the best of my knowledge and belief, these data correctly describe me, my qualifications, and my experience.

Full name of staff member: Murtaza Ghazi

Date: February 27, 2009.

ANNEX 4: PAST PERFORMANCE REPORTS

Assignment name: Widening Harmonized Access To Microfinance (WHAM)	Country: Pakistan
Location within country: Islamabad	Professional Staff Provided by Your Firm/Entity (profile): 10
Name of Client: USAID	Duration of assignment (months): 36 months
Address: U.S. Agency for International Development Aazar W. Bhandara, CTO, USAID Pakistan Tel: (92-51) 208-2797 Email: Abhandara@usaid.gov	Total No of staff-months of the assignment: 252 staff-months
Start date (month/year): April 2005 Completion date (month/year): March 2008	Approx. value of services offered by your firm under the contract (in current US\$ or Euro): \$ 5,000,000
Name of Associated Consultants, If Any: N/A	Nº of Months of Professional Staff Provided by Associated Consultants: N/A
Name of senior professional staff of your firm and functions performed: Gregory Chen, Chief of Party, ShoreBank International	
Narrative description of Project: On behalf of USAID, SBI has engaged in project Widening Harmonized access to Microfinance (WHAM) in Pakistan to expand reach of credit services and to increase the capacity of local microfinance institutions to support micro and small enterprises (MSEs). SBI worked towards increasing the client outreach and improving the ability of MFIs and banks to reach to new markets and build on scale.	
Description of actual services provided by your staff within the assignment: WHAM pursued its objectives through three programmatic areas: <ul style="list-style-type: none"> ▪ Microfinance Upscaling – SBI assisted microfinance institutions develop lines of business focusing on loans ranging from \$500 - \$2,000. SBI provided intensive technical assistance to MFIs in business line development, risk management, cash management, MIS, and marketing. ▪ Bank Downscaling – SBI assisted commercial banks to downscale into SME lending, with loans under \$100,000. SBI worked one-on-one with bank managers and loan officers, to assist with loan product design, product roll-out, incentive programs and overall SME business line of business development. ▪ Industry Development – SBI worked with its primary partner the Pakistan Microfinance Network (PMN) to strengthen the overall industry focusing heavily on the provision of high quality information and analysis to drive market development. ▪ SBI built permanent training and professional development capacity both within MFIs and banking institutions, taking into consideration the needs of the end client, Conducted specialized trainings in credit methodology, mentoring programs, introducing new products, know-how and management tools; Provided essential supporting mechanisms and systems, such as MIS capacity and areas of internal control and risk management will be addressed and evaluated; To increase overall awareness and coordination between the institutions SBI conducted media briefing, interviews, workshops and seminars. 	

Firm's Name: ShoreBank International Ltd.

Assignment name: Advancing Microfinance for Post-disaster Economic Reconstruction (AMPER) Project	Approx. value of the contract (in current US\$ or Euro): \$1,068,235.00
Country: Pakistan	Duration of assignment : 27 months
Name of Client: USAID	Total No of staff-months of the assignment: 76 months
Address: Terence Miller EGAT/PR/Microenterprise Development US Agency for International Development tel. (202) 712-5653 fax (202) 216-3228 tmiller@usaid.gov	Approx. value of services offered by your firm under the contract (in current US\$ or Euro): \$1,068,235.00
Start date (month/year): September, 2006 Completion date (month/year): September, 2009	Name of senior professional staff of your firm: Salim Jiwani, Jesse Fripp
Narrative description of Project: ShoreBank International Ltd (SBI), together with local partners the National Rural Support Programme (NRSP), and the Pakistan Microfinance Network (PMN) implemented the <i>Advancing Microfinance for Post-disaster Economic Reconstruction (AMPER)</i> Project to increase access to financial services for the poor and very poor in the earthquake-affected regions of Kashmir.	
Description of actual services provided by your staff within the assignment: SBI implemented the following activities aimed at stabilizing access to microfinance loans, and developing new financial and non-financial services targeting the poor and very poor: <ul style="list-style-type: none"> • Stabilized and rehabilitated sustainable microfinance service offerings for the rural poor in the Azzad Jammu and Kashmir (AJK) region through partnerships with the NRSP, the primary microfinance lender in the region prior to the earthquake. Reestablishing this operation as the first and critical step created a vital foothold for generating further growth and innovations under AMPER, allowing for improved access to microfinance services for up to 21,000 borrowers; • Conducted comprehensive market and needs assessment for innovative and alternative microfinance services aiming the very poor in the earthquake affected area. Assessment included an emphasis on quantifying and qualifying the need for and potential impact of broader access to remittance inflows, as well as complementary savings/deposit, insurance, and guarantee-fund mechanisms; • Introduced new innovative microfinance service mechanisms designed to increase access of poor clients in a post-disaster setting, based upon identified need. Through broad national financial-sector network and association partnerships, AMPER worked to increase access to remittance flows, accessible savings, insurance, guarantee funds, and other needed mechanisms. Through these efforts, over 3,500 households will gained access to new, previously unavailable microfinance services; • Captured and disseminated, through operational and field research, the lessons from each of the three elements of the project described above. Through active involvement in the USAID Practitioner Learning Program addressed national and international practitioner audiences, and shared replicable microfinance models for the very poor with donors, practitioners, policy-makers, and researchers worldwide. . 	

Firm's Name: ShoreBank International Ltd

Assignment name: Risk Management Assessment for the Pakistan Poverty Alleviation Fund (PPAF)		Country: Pakistan
Location within Country: Islamabad		Professional Staff Provided by Your Firm/Entity (profile): 3
Name of Client: Pakistan Poverty Alleviation Fund		Duration of assignment (months): Five months
Address: H. #1, St. 20, F-7/2, Islamabad, Pakistan T: 051-111 000 102 F: 051-2652246		Total No of staff-months of the assignment: 3
Start date (month/year): February 2007	Completion date (month/year): June 2007	Approx. value of services offered by your firm under the contract (in current US\$ or Euro): \$40,000
Names of associated Consultants, if any: N/A		N° of professional staff-months provided by associated Consultants: N/A
Name of senior professional staff of your firm: Mr. Gregory Chen, Ms. Donna Nails, Ms. Hussan Bano Burki		
Narrative description of Project: SBI led a comprehensive portfolio risk management assessment for PPAF's outstanding portfolio of \$55 million in debt financing activity for the microfinance sector. During this assessment SBI reviewed credit and operations risk management practices, staff capacity, conducted an analysis of portfolio quality, provided recommendations for improvements and introduced new credit risk management tools.		
Description of actual services provided by your staff within the assignment: SBI led a comprehensive portfolio risk management assessment for PPAF's outstanding portfolio of \$55 million in debt financing activity for the microfinance sector. The assessment included internal analysis of PPAF credit and operations risk management practices and staff capacity, as well as an analysis of underlying portfolio quality of key investee institutions. Based on this analysis, SBI was able to provide detailed recommendations on improvements to credit cycle processes and procedures, and to introduce new tools to improve credit risk management practice within the institution. In addition, SBI developed a detailed roadmap for improving staff capacity, and further defining and developing risk management practices of PPAF to improve portfolio quality and enable investment with regulated commercial microfinance institutions and commercial debt fund instruments.		

Firm's Name: ShoreBank International

Assignment Name: Pakistan Microfinance Network (subcomponent of the Widening Harmonized Access To Microfinance (WHAM) project)		Country: Pakistan
Location within Country: Islamabad		Professional Staff Provided by Your Firm/Entity(profiles):
Name of Client: USAID		Nº of Staff: 4
Address: U.S. Agency for International Development Aazar W. Bhandara, CTO, USAID Pakistan Tel: (92-51) 208-2797 Email: Abhandara@usaid.gov		Nº of Staff-Months; Duration of Assignment: 100 staff months
Start Date (Month/Year): April 1, 2005	Completion Date (Month/Year): March 31, 2008	Approx. Value of Services (in Current US\$): \$1,000,000
Name of Associated Consultants, If Any:		Nº of Months of Professional Staff Provided by Associated Consultants:
Name of Senior Staff (Project Director/Coordinator, Team Leader) Involved and Functions Performed: Greg Chen, Bano Burki, Barbara Zadina, Uzma Qureshi, Asima Awan and others		
Narrative Description of Project: This was a subcomponent of the larger Widening Harmonized Access To Microfinance (WHAM) project.		
Description of Actual Services Provided by Your Staff: SBI provides a core industry-strengthening and research team assigned to work seamlessly with the leadership of the PMN in several core areas, including industry surveys and analysis, key market surveys and analysis, public outreach and communications strategy, and policy review and advisory support to the State Bank of Pakistan, the Office of the Prime Minister, and other government and private bodies. Key initiatives led by the SBI team include launch of a National Microfinance Outreach Strategy targeting key policy-makers and decision-makers, a Five-Year Microfinance Industry Review, a National Savings Demand Survey, a survey on the Dynamics of Microfinance Competition in Lahore, a middle-management Human Resources Development Initiative, and an SME Finance Impact Survey.		

Firm's Name: ShoreBank International Ltd.

Assignment Name: Pakistan Mortgage Guarantee Facility: Analysis of the Underwriting Capacity of the National Bank of Pakistan		Country: Pakistan
Location within Country: Karachi, Pakistan		Professional Staff Provided by Your Firm/Entity(profiles): 1
Name of Client: Acumen Fund David Kyle, Chief Investment Officer, Tel: (212) 566-8821 Email: dkyle@acumenfund.org		Nº of Staff: 1 short-term
Address: 74 Trinity Place, 9 th Fl. New York, NY 10006		Nº of Staff-Months; Duration of Assignment: .5 staff months/ 2 weeks
Start Date (Month/Year): October 21, 2004	Completion Date (Month/Year): October 28, 2004	Approx. Value of Services (in Current US\$): \$17,860
Name of Associated Consultants, If Any:		Nº of Months of Professional Staff Provided by Associated Consultants:
Name of Senior Staff (Project Director/Coordinator, Team Leader) Involved and Functions Performed: Rafael Jabba, Project Director		
Narrative Description of Project: Acumen Fund in an effort to provide access to credit for primarily low to moderate income employees has established the Pakistan Mortgage Guarantee Facility. The primary objective of the facility is test and improve the bank's marketing, income verification, valuation, legal assessment, servicing collection and if necessary foreclosure procedures to low to moderate income private sector employees. ShoreBank International Ltd. (SBI) was contracted by the ACUMEN Fund to analyze the underwriting capacity of the NBP.		
Description of Actual Services Provided by Your Staff: The objectives of our assignment were: <ul style="list-style-type: none"> ▪ To provide an assessment of the underwriting capabilities of the NBP with an emphasis on their loan origination, servicing, collection and delinquency management. ▪ To evaluate their MIS systems and IT capacity in order to manage the data-flow between branches and the production of timely control reports. <p>In addition, at the request of ACUMEN's project manager, SBI visited branches outside of Karachi and reviewed the following issues:</p> <ul style="list-style-type: none"> ▪ Underwriting capacity and MIS/IT structure at two branches within the Lahore environs ▪ Underwriting capacity and MIS/IT structure at the Rawalpindi branch outside of Islamabad <p>Affordability of homes within urban and peri-urban areas of Karachi are</p>		

Firm's Name: ShoreBank International Ltd.

Assignment Name: Feasibility Study on Microfinance Housing in the East Africa Region		Country: African continent
Location within Country: Uganda, Kenya, Tanzania		Professional Staff Provided by Your Firm/Entity(profiles): Paula Tjossem, Bridget Burkhardt, Dr. James Mutero, Vincent Agaba and Charles Karibi
Name of Client: M/S Stromme Microfinance East Africa Ltd		Nº of Staff: 5
Address: P. O. Box 27200 Kampala, Uganda		Nº of Staff-Months; Duration of Assignment: 3 months
Start Date (Month/Year): October 2, 2008	Completion Date (Month/Year): December 31, 2008	Approx. Value of Services (in Current US\$): \$124,310
Name of Associated Consultants, if Any: N/A		Nº of Months of Professional Staff Provided by Associated Consultants: N/A
Name of Senior Staff (Project Director/Coordinator, Team Leader) Involved and Functions Performed: Paula Storch Tjossem, James Mutero, Vincent Agaba, Bridget Burkhardt, Charles Karibi		
Narrative Description of Project: The overarching goal of the feasibility study was to analyze the need for and recommend the best wholesale financing mechanisms for housing microfinance to meet the housing needs of the poor in East Africa. SBI developed an overview of the status of housing finance, the economies and the legal and regulatory frameworks in Uganda, Kenya and Tanzania, and analyzed the need for a wholesale housing facility to provide funds to microfinance institutions.		
Description of Actual Services Provided by Your Staff: SBI conducted an industry research; in-country missions in Tanzania and Uganda; an analysis of the available data to provide detailed financial, process and strategic analysis as well as technical insights on expanding the housing finance market in Kenya, Tanzania and Uganda. SBI performed the following tasks: Thoroughly documented the housing finance challenge in two East African countries (Uganda and Tanzania, with additional overview of the housing finance environment of Kenya); (i) Analyze the need for a wholesale housing finance facility for the East Africa region as a way to help develop a market responsive, sustainable and scalable housing microfinance model for the poor; (ii) Based on our findings, recommend the best wholesale financing mechanisms for housing microfinance; and (iii) Based on this analysis, recommend the corresponding capacity building and technical assistance		

required to enable the wholesaler and MFIs to successfully provide a housing microfinance product that meets the needs of the poor in East Africa.

Firm's Name: ShoreBank International Ltd

Assignment name: Global Financial Innovations Partnership (GFIP)	Country: Morocco, South Africa
Location within country: Rabat, Casablanca and Meknes Johannesburg, Durban and Cape Town	Professional staff provided by your firm /entity (profiles)
Name of Client: U.S. Agency for International Development / GDA Robert Schneider, CTO, USAID, Washington Tel: (202) 712-1763 Email: roschneider@usaid.gov	Duration of assignment (No. of staff months): 24 months
Address: 1300 Pennsylvania Avenue NW Washington DC 20523	Total No of staff-months of the assignment: 30 staff-months
Start date (month/year): September 2004 Completion date (month/year) : September 2006	Approx. value of services offered by your firm under the contract (in current US\$ or Euro): \$500,000
Names of associated Consultants, if any: Risk Frontier, South Africa	N° of professional staff-months provided by associated Consultants: 10 staff-months
Name of senior professional staff of your firm and functions performed: Anne Baverel, Senior Consultant Garth Bedford, Technical Advisor Regina Campa Sole, Program Manager	
Narrative description of Project: The GFIP project is one of the only private-sector bank-operated initiatives, focused on activities that increase access to finance for slum upgrading activities through private capital mobilization, strategic partnerships with local financial institutions and capacity building of institutions engaged in housing finance. SBI implemented an asset-building strategy for economically distressed individuals and communities through two prongs that reach to the core of poverty alleviation and economic development challenges. The first component of the strategy mobilized private market forces to improve the quality of life for the urban poor and slum dwellers by encouraging wealth-building through homeownership, property investment, and infrastructure building. The second component focused on the strengthening of financial institutions to ensure effective delivery of the financial products serving slum dwellers consistent with the institution's overall safety and soundness guidelines. As a result of the technical assistance delivered to local partners by SBI, the GFIP leveraged US\$ 24.3 million in private sector investment in urban communities and their organizations and institutions.	
Description of actual services provided by your staff within the assignment: SBI has produced an Inventory of Slum Upgrading Financial Models that listed key factors for success of slum upgrading programs beginning with the policy environment down to the operational level of the financial institution. The purpose of the inventory was to initiate a discussion among the main actors involved in slum upgrading efforts, regarding which financial models and strategies are more effective for large scale improvement of livelihoods of the urban poor. SBI developed one pilot project in Morocco and another one in South Africa via partnerships with	

local financial institutions to get involved in this sector. The GFIP Moroccan pilot worked with two local banks (Banque Centrale Populaire and Banque Marocaine du Commerce Exterieur) and two MFIs (Al Amana and Fondation Zakoura) to develop their skills in lending to this population. The pilot worked with partners from both the government and the private sector in order to improve knowledge around the financial aspects of the Villes Sans Bidonvilles program. The GFIP South African pilot, designed to increase financial intervention in the affordable housing arena of South Africa, began in April 2005. The pilot worked with one local bank (ABSA) toward mobilizing funds into a previously undesirable market segment through the application of the local credit guarantee facility. Technical assistance was provided as well to two Housing Intermediaries (SOHCO and The Kuyasa Fund) on how to lend to slum dwellers. SBI also provided IT technical assistance to the Kuyasa Fund on the consolidation of reporting on the Cubis and Access data. SBI improved the MIS reliability and saved time and money by redesigning Kuyasa's system architecture

In Morocco, a direct financing model developed, in which the pilot leveraged an impressive volume of US\$ 23.2 million across 1,453 loans for low income housing and slum upgrading by just one partner bank (BMCE) against an initial target of US \$2 million. These loans represented direct individual loans to low income populations for housing finance. In South Africa, a credit facility of US \$1 million had been approved for the Kuyasa Fund, a housing microfinance NGO, by ABSA bank for expansion of its lending in Cape Town slums and represented Kuyasa's first such commitment from commercial sources of financing.

Firm's Name: ShoreBank International Ltd

Assignment Name: Mortgage SOFOLES Project-Mexico		Country: Mexico
Location within Country: Based in Mexico City		Professional Staff Provided by Your Firm/Entity(profiles): Manuel Alegre, Project Manager Mahlon Barash, Team Leader
Name of Client: Mr. Marcelo Castellanos /Ms. Marta Kozak Latin America Technical Assistance Facility Mexico		Nº of Staff: 1 long-term, plus short-term consultants
Address: Montes Urales 715/Oficina 503 Col. Lomas de Chapultepec Del. Miguel Hidalgo, 11000 Mexico, D.F.		Nº of Staff-Months; Duration of Assignment: 15 months
Start Date (Month/Year): June 2006	Completion Date (Month/Year): August 2008	Approx. Value of Services (in Current US\$): US \$675,842
Name of Senior Staff (Project Director/Coordinator, Team Leader) Involved and Functions Performed: William Dewey, Vice-President, ShoreBank International Ltd. Manuel Alegre, Project Manager Mahlon Barash, Team Leader		
Narrative Description of Project: SBI is providing technical assistance to five mortgage finance companies (Sofols) in Mexico to improve their mortgage lending capabilities. SBI is has completed assessments and individualized Action Plans for technical assistance to participating Sofols. At projects completion SBI will apply a rigorous set of guidelines for originating and servicing, administration processes and a standardized set of mortgage products as well as a Mortgage Lending Toolkit adapted to Mexico.		
Description of Actual Services Provided by Your Staff: SBI has established advisory relationships with lenders based on a set of strategic assessments completed with each institution. SBI has developed a tailored Plan of Action for each Sofol that specifies the areas of particular focus, goals to be achieved, and metrics for measuring progress. SBI is assisting the Sofols in identifying products from a menu of acceptable alternatives included in the IFC's Mortgage Toolkit plus other products appropriate for the Mexican market. As part of the mandate, SBI has adapted the IFC's Mortgage Toolkit to Mexico, including a separate Toolkit on "bridge loans", or construction loans to developers, which are quite prevalent in Mexico and a primary source of loan volume for the Sofols. SBI has also completed strategic planning workshops with the Sofols to help them develop strategic objectives and market plans to generate a sustainable volume of mortgage applicants. These offerings are based on a structure for mortgage operations and detailed policies, procedures and forms contained in the Toolkit, with a particular focus on applying a rigorous underwriting process, and actively managing the portfolio of outstanding mortgages, including intervening early to address loan delinquencies. Classroom trainings and individual workshops will be provided through the course of the project. The Sofols will be left with the experiential knowledge of running a mortgage department with international best practices as well as a Mortgage Lending Toolkit adapted to the Mexican market.		

Firm's Name: ShoreBank International Ltd

Assignment Name: IFC Mortgage Toolkit for Africa		Country: African Continent
Location within Country: Accra, Ghana, Kampala, Uganda		Professional Staff Provided by Your Firm/Entity(profiles): 8
Name of Client: International Finance Corporation (IFC)		Nº of Staff: 8
Address: Headquarters 2121 Pennsylvania Ave, NW Washington DC, 20433 USA		Nº of Staff-Months; Duration of Assignment: 8 months
Start Date (Month/Year): May 5 th , 2006	Completion Date (Month/Year): July 30 th , 2006	Approx. Value of Services (in Current US\$): \$265,000
Name of Senior Staff (Project Director/Coordinator, Team Leader) Involved and Functions Performed: Martin Levine, Team Leader Lauren Moser, Project Manager Coordination of consultant resources, expertise on housing finance content		
Narrative Description of Project: The lack of standardization and uniformity in all critical areas of mortgage lending are among the key impediments to developing primary mortgage markets in the Sub-Saharan Africa Region. IFC believes that mortgage lending is most efficient when mortgage loans are made in a standard form used by all. In this way, cost efficiencies are achieved, margins can be compressed, and affordability is improved. IFC has contracted with SBI to develop a "Mortgage Toolkit" for sub-Saharan Africa which will set the standard for uniformity in the African continent.		
Description of Actual Services Provided by Your Staff: Under the Toolkit SBI developed standardized mortgage products, mortgage loan files and mortgage lending and maintenance processes with a view toward use on an eventual secondary market. SBI defined a complementary suite of mortgage products starting with a variable rate mortgage as well as created a model loan file including standard documents, a loan file checklist, and an organizational structure of the file. SBI created an integrated set of operating manuals, and developed guidelines for each module and processes to follow in order to book and manage mortgage loans. The SBI Team coordinated with local financial institutions in Ghana, Uganda, and elsewhere in Africa to gain their inputs on the Toolkit to make it most useful in these markets. SBI provided overall guidance in the Toolkit to eventual users on localizing the materials to the particular housing finance context.		

Firm's Name: ShoreBank International Ltd.

Assignment Name: Trust for Urban Housing Finance (TUHF) Consultancy		Country: South Africa
Location within Country: Johannesburg		Professional Staff Provided by Your Firm/Entity(profiles):
Name of Client: Trust for Urban Housing Finance (TUHF)		Nº of Staff: 2
Address: UCS House, First Floor, PO Box 30872, Braamfontein 2017, Johannesburg, SA		Nº of Staff-Months; Duration of Assignment: 29 days
Start Date (Month/Year): October 2003	Completion Date (Month/Year): November 2003	Approx. Value of Services (in Current US\$): 17.090
Name of Associated Consultants, If Any: Natasha Klimov (?) Jim Bringley, Shorebank		Nº of Months of Professional Staff Provided by Associated Consultants:
Name of Senior Staff (Project Director/Coordinator, Team Leader) Involved and Functions Performed: Lynn Pikhholz		
Narrative Description of Project: TUHF is a start-up development finance institution to provide end user financing to housing entrepreneurs and housing collectives to restore vibrant rental housing markets that serve the residents of inner cities and surrounding areas. Shorebank, based on its development lending model successes in Chicago, is providing technical assistance to introduce, implement and support the development lending methodology at TUHF. Additional technical assistance was identified to bolster TUHF's infrastructure with respect to loan and/or accounting software selection, cash management, loan policies and procedures, and internal controls.		
Description of Actual Services Provided by Your Staff:		
<ol style="list-style-type: none"> 1. Loan Policies and Procedures Manual: Developed manual with policies supporting TUHF's approved Credit Policy, workflows, procedures, forms, and loan officer guidelines, and report on next steps. 2. Software Evaluation Report: Assistance in defining functional requirements for a loan accounting software package, identification of potential vendors, and attended vendor presentations to analyze suitability of packages with respect to functionality and costs. Development of a software evaluation tool 3. Internal Control Framework and Control Report: assessment of accounting systems and internal operations for interface requirements with loan system and products, conducted a half day workshop and self-assessment on internal control framework, and prepared a paper on pitfalls and strategies for improving internal controls. 4. Cash Management Control Report: Findings and recommendations to improve cash management covering office expenses, loan disbursements, payroll, loan repayments and tracking and controlling cash flows. 		

Firm's Name: ShoreBank International Ltd.

ANNEX 5: SBI REFERENCES

1. Syed Harhan Fasihuddin, International Finance Corporation, SFasihuddin@ifc.org