

(a-e)

26/02/2016

Bid Evaluation Report		
Request for proposal (RFP) - For the Appointment of Lead Manager(s) & Book Runner(s) for Initial Public Offering and Listing of Sindh Bank Shares on the Pakistan Stock Exchange		
1	Name of Procuring Agency	Sindh Bank Ltd.
2	Tender Reference No.	SNDB/COK/ADMIN/TD/659/2016
3	Tender Description	For Appointment of Lead Manager(s) & Book Runner(s)
4	Method of Procurement	Single Stage Two Envelop Bidding Procedure
5	Tender Published & SPPRA S.No.	S.No: 26204. Express Tribune, Daily Express, Daily Ibrat (14/01/2016)
6	Total Bid Documents Sold	02
7	Total Bids Received	01
8	Technical Bid Opening Date & Time	29/01/2016 at 1600 Hrs
9	Financial Bid Opening Date & Time	25/02/2016 at 1600 Hrs
9	No. of bid qualified	01
10	Bid(s) Rejected	-

Details on the above as given below:

S No	Name of Firm or Bidder	Qualified / Disqualified in Eligibility/Technical Criteria	Rate Quoted Success Fee as percentage of gross proceeds of the IPO	Quality & Cost Based Selection Method (70:30) Technical: Financial Weightage	Ranking in terms of Cost	Comparison with Estimated Cost (Rs.60,000,000)	Reasons for acceptance/rejection	Remarks
0	1	2	4	4.a	5	6	7	8
1.	Consortium of Arif Habib Limited (Lead Consultant) & Next Capital	Qualified	2.188% Rs.33,820,000/- (Estimated Cost)	81 Marks Obtained out of 100	Lowest Bidder	Rs. 26,180,000/- below the estimated cost	Accepted – Only Qualified Bidder	Rule-48 has been complied with

Accordingly going by the Technical/Financial Evaluation offered in the tender document, **Consortium of Arif Habib Limited (Lead Consultant) & Next Capital** stands as only Qualified Evaluated Bidder for the appointment of Lead Manager(s) & Book Runner(s) for Initial Public Offering and listing of Sind Bank Shares on the stock exchange. On Basis of Quality & Cost Based Selection Method, **Consortium of Arif Habib Limited (Lead Consultant) & Next Capital** has obtained 81 % mark.

Members – Consultant Selection Committee

SVP – Financial Division
(Mr. Dilshad Hussain Khan)

Chief Financial Officer
(Mr. Saeed Jamal)

Head of HR
(Khawaja Tajammul Hussain)

Add. Sec. Admin. P&D Dept.
(Mr. Riaz Abbasi)

Add. Finance Secretary
(Mr. Khalid Mahmood Sheikh)

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MINUTES OF THE OPENING OF THE TENDER (TECHNICAL / FINANCIAL PHASE)



TYPE OF PROCUREMENT ADMIN / IT / CONSULTANT / MEDIA

TENDER NAME Lead Manager & Book Runner for IPO and listing of Smith Bank Ltd.

TYPE OF TENDER SINGLE STAGE-ONE ENVELOPE / SINGLE STAGE-TWO ENVELOPE / TWO STAGE / TWO STAGE-TWO ENVELOPE

OPENING DATE 25-02-2016

OPENING TIME 1600 Hours

ATTENDANCE (MEMBER PC)

SVP (FINANCE)

CFO

Head of HRD

Add Sec Admin PSD

Add Sec FINANCE

ATTENDANCE (REPS. OF BIDDERS)	NAME	FIRM
		<u>ARIF HABIB / Next</u>

TOTAL BIDS ACCEPTED FOR EVALUATION 01

TOTAL BIDS REJECTED -

REMARKS _____

PROCUREMENT COMMITTEE

25/02/15

[Signatures]

(9)

	TECHNICAL CRITERIA	Maximum Score-%	Score Obtained	Consideration for score obtained based on Technical Proposal and Annexures Provided.
B. SPECIALIZATION AND UNDERSTANDING OF ENGAGEMENT		<u>10%</u>	<u>8</u>	
B.1	Industry Knowledge (enclose research paper)	5%	4	Analysis provided for different Banks. Refer page # 5 & 6.
B.1.1	Financial Services industry outlook in general and banking sector in particular			
B.1.2	Knowledge of Banks/Sindh Bank Limited (SBL)	5%	4	AHL possess equity related advisory experience, peer group analysis conducted on page no 33. For Equity related advisory experience of banks & SBL, refer page # 7
	i- Equity related advisory experience of banks & SBL.			For Key investment merits/selling points of SBL, refer page # 8
	ii- Key investment merits/selling points of SBL.			
	iii- Peer group analysis of SBL within domestic banking companies and how SBL will be valued and positioned.			For Peer group analysis of SBL refer page # 9 to 11
C. FINANCIAL/RESOURCE CAPABILITY & EXPERIENCE		<u>60%</u>	<u>43</u>	
C.1	Strength in Equity Distribution	<u>15%</u>	<u>12</u>	
	Consultant/Consortium's success record as Lead Manager and Book Runner (LM & BR) during the last 3 years ie 2012-15 (attach details):			
C.1.1	Through Book Building exercise	5%	4	12 Transactions amounting to 170 billion through book building. Refer page # 15.
	> Number of Transactions as Lead Manager and Book Runner (please specify)			
	> Aggregate Value of the Transactions-Rupees in million			
C.1.2	Through public issue	5%	4	9 Transactions amounting to 9.5 billion through public issue. Refer page # 15.
	> Number of Transactions as Lead Manager and Book Runner. Refer page # 15			
	> Aggregate Value of the Transactions-Rupees in million			
C.1.3	Strength in Placement & Underwriting	5%	4	18 Underwriting Transaction amounting to 17.5 billion. Refer page # 16.
	Consultant/Consortium should demonstrate its underwriting strength/ capability ie Aggregate Value of Transactions and relationships with key institutions, both foreign and local with 2.5% being allocated to strength on foreign placement and 2.5% allocated for local placement ability.			
C.2	Competence & experience of team (enclose Resumes/CVs of each member)	25%	17	
	Team Leader (i) name, (ii) prior transactional experience ie number. & value,	10%	5	Umer Habib as the team leader. Possessing rich experience of more than 10 years and has completed transaction in excess of US\$ 100 millions. Refer page # 19 - 23.
	i- (iii) awareness of banking sector, (iv) number of years with the firm/industry (v) qualification, (vi) regulatory understanding			
	ii- Members of the Proposed team-for each member which includes, corporate finance team, equity distribution team, equity research team ie (i) Name(s), (ii) Years with the firm/industry, (iii) prior transactional experience (ie number and value), and (iv) qualification	10%	8	Qualified team members with adequate experience in transaction advisory. Refer page # 20-21.

Handwritten signatures and notes:

Riaz

Umer Habib

5-1-2019

TECHNICAL CRITERIA	Maximum Score-%	Score Obtained	Consideration for score obtained based on Technical Proposal and Annexures Provided.
iii- Equity analyst's name (covering the Transaction), experience in covering the banking industry, credentials (e.g. CFA)	5%	4	Mr Fawad Bashir awarded as the 2nd Runner up as research analyst. Refer page # 24.
C.3 Brokerage House Standing & Equity Research capability	10%	7	
i- Brokerage credentials-positioning in Karachi Stock Market (estimated market share of KSE volumes during 2014 & 2015)	4%	3	As a consortium it holds a market share of 6.5% for Domestic and 15% of Of Foreign Volume at the Pakistan Stock exchange. Refer page # 27.
ii- Quality of Research (please enclose 3 reports written by your firm)	4%	3	Best brokerage house in 2015 and book runner of the year 2013.
iii- Coverage of banking stocks and duration of coverage	2%	1	Refer page # 27.
C.4 Financial Standing <i>Assign score based on the following criteria,if</i>	10%	7	
i- Capital & Reserves (September 30, 2015)-above Rs. 150 million, Net capital balance of minimum of PKR 100 million	7%	7	Combined capital/reserves of Rs. 2.75 billion. Net capital balance of Rs. 1.384 billion. Refer Financial statements.
ii- Capital & Reserves (September 30, 2015)-above Rs. 100 million to Rs. 150 million and minimum net capital balance of PKR 75 million	2%		
iii- Capital & Reserves (September 30, 2015)-between Rs. 50 million to Rs.100 million and minimum net capital balance of PKR 50 million	1%		
D. WORK PLAN & METHODOLOGY	20%	14	
D.1 Transaction Structure and Demand Analysis			
i- Best suited transaction structure ie maximum value extraction	7.5%	5	Transcation structure advised as 75% Book Building and 25% General public. SBL positioning for valuation has been done between peer banks and the consortium is confident that there is enough appetite in the local market to fully subscribe to the Transaction. Refer page # 33.
ii- Proposed execution strategy with detailed road map of activities and time schedule achieving financial close to the expected target date of April 30, 2016 or as close thereto as possible.	7.5%	5	Underwritten transactions worth 17.5 billion in last 4 years. Proposed execution strategy with detailed road map of activities and time schedule is clearly defined on page no. 34.
iii- Proposed marketing/distribution strategy.	5%	4	Marketing and distribution strategy has been clearly defined on page no. 37 & 38
E. EFFECTIVENESS OF PRESENTATION	10%	8	Presentation has not been made yet, once the presentation has been made the marks will be allotted accordingly.
Total	100%	65	

[Signature]

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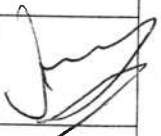
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ATTENDANCE SHEET

BID OPENING -

FOR SELECTION OF *Lead Managers and Book Runners* for initial public offering and listing of Sindh Bank Ltd. to
 Date: 25-02-2016

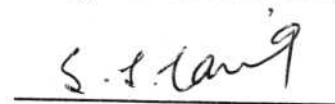
S.No	Company Name	Name of Company Representative	Contact No.	Email Address	Signature
01	Next Capital Ltd ARIF HABIB	UMER HABIB	0301 8222950	umer.habib@nextcap.ltd com.pk.	

Signature –Procurement Committee Members:

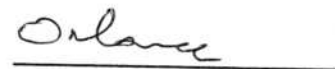
Officer Finance Division-Sindh Bank Limited



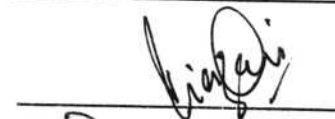
CFO- Sindh Bank Ltd



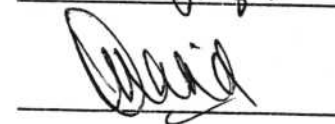
Head of HR- Sindh Bank Limited



Additional Secretary (Admin), P&D Department



Additional Finance Secretary (Res), Finance Department



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Calculations – Quality & Cost Based Selection Method for Appointment of Lead Manager (s) & Book Runner (s) for Initial Public Offering and Listing of Sindh Bank Limited Share (s) on the Pakistan Stock Exchange

Part 1 Criteria	Technical Weightage	Financial Weightage	Qualification Marks in Technical/Eligibility Criteria
	70%	30%	70%

Part 2 Technical Criteria	S.No	Name of Bidder	Total Marking obtained (100 Marks Maximum)
	01	Consortium of Arif Habib Limited (Lead Consultant) & Next Capital	73

Part 3 Technical Evaluation (Total Marks =100)	Details	Name of Bidder	
		Consortium of Arif Habib Limited (Lead Consultant) & Next Capital	
	Marks Obtained	73	
	Weightage 70%		
	Marks Obtained	51	

Part 3 Financial Evaluation (Total Marks =100)	Details	Name of Bidder	
		Consortium of Arif Habib Limited (Lead Consultant) & Next Capital	
	Rate Quoted	2.188% success fee as a percentage of gross proceeds of the IPO. Estimated Rs. 33,820,000 million	
	*Financial Scoring	100	
	Financial Weightage (30%)	30	

*Financial Scoring = Least Bid Offered/Bid under Consideration X 100

Financial Scoring of M/s. Arif Habib Limited (Lead Consultant) / Next Capital = 33.82 million/33.82 million X 100 = 100

Part 4 (Total Marks =100)	Details	Name of Bidder	
		Consortium of Arif Habib Limited (Lead Consultant) & Next Capital	
	Technical Marks Obtained	51	
	Financial Marks Obtained	30	
	**Total Marks	81	

M/s. Consortium of Arif Habib Limited (Lead Consultant) & Next Capital was the only bidder. As the rate quoted is comparable with the Market Prices based on comparison of IPO's previously held of the same nature.

Members – Consultant Selection Committee

SVP – Financial Division
(Mr. Dilshad Hussain Khan)

Chief Financial Officer
(Mr. Saeed Jamal)

Head of HR
(Khawaja Tajammul Hussain)

Add. Sec. Admin. P&D Dept.
(Mr. Riaz Abbasi)

Add. Finance Secretary
(Mr. Khalid Mahmood Sheikh)

Dated: 26/02/2016

TENDER No: SNDB/ADMIN/TD/659/2016

Request for Proposal (RFP)

For the Appointment of Lead Manager (s) and Book Runner (s) for Initial Public Offering and Listing of Sindh Bank Ltd Share(s) on the Pakistan Stock Exchange) on the Pakistan Stock Exchange Certificate in Compliance of rule 48 of SPPRA

This is to certify that as only one bid was received against the tender, so Rule 48 has been complied with detail as follows:

S.No	Last tender Unit Price.	Estimated Price	Current tender Price
01	N/A	2.188% of 0% of gross proceeds of the IPO.	33,820,000/-

* Compare with Market Price as per envelope 'A'

Members – Consultant Selection Committee

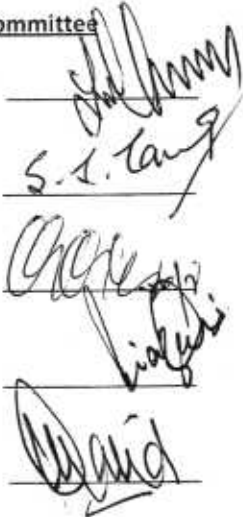
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Annexure A

AL SHAHEER CORPORATION

Particulars	Weight	Fee	Weighted Fee
Lead Manager Fee	100%	2.00%	2.00%
Book Runners Fee	75%	0.75%	0.56%
Underwriting Fee - BB	75%	0.25%	0.19%
			2.75%

AMRELI STEELS

Particulars	Weight	Fee	Weighted Fee
Lead Manager Fee	100%	2.00%	2.00%
Book Runners Fee	75%	0.63%	0.47%
Underwriting Fee - BB	75%	0.25%	0.19%
			2.66%

Financial Proposal

Category	Percentage	Value in PKR
A) Success Fee (as a percentage of gross proceeds of the IPO)	2.188%	32,820,000/-*
B) Fixed Fee payable (in PKR)	N/A	-
C) Out of Pocket Expense	N/A	1,000,000/-
Total (A+B+C)	N/A	33,820,000/-

Yours faithfully,

For and on behalf of the Consortium,



Ahmed Rajani
Vice President, Investment Banking
Arif Habib Limited
Arif Habib Center, 23 M.T Khan Road
Karachi



Umer Habib
Head of Investment Banking
Next Capital Limited
8th Floor, Horizon Tower
Clifton, Karachi



S. I. Tariq



* Inclusive of all taxes.