Product Features

Bank Alfalah Ltd. and GoldFin (Pvt.) Ltd, as partners have agreed to launch a gold-backed lending product namely “Alfalah Gold Loan” (AGL). The product will be offered with mutually agreed responsibilities covering all the dimensions of the product lifecycle.

AGL is a quick & secure financing facility designed for micro, small and medium enterprises (MSMEs) entities, business individuals and Agriculture sector to meet their immediate business needs against gold as collateral

**Product Feature and Benefits**

* Secured and collateral backed loan.
* Collateral options - Gold (in shape of Bars/ jewelry / ornaments).
* Limit up to 75% of the net value of Gold.
* Quick turnaround time (in line with industry norms).
* Renewal after one year subject to compliance of clean up (if applicable)
* No supplementary guarantor required.

Product Types

* Bullet (Short Term Finances)
* EMI (Equal Monthly Installment Long Term Loans up to 3 years) and
* Running Facility (Revolving Line)

Target Market

The brand AGL infers quick loan against the collateral; which is available to Micro, Small and Medium Enterprise (MSMEs), Agriculture/ Livestock and Business Individuals who can justify their income. The nature of this product has great potential to overcome the credit difficulties of above referred entities and help them in meeting their requirement of working capital and business expansion.

Eligibility Criteria

* Applicant / Main Sponsor should be Resident Pakistani National having Valid CNIC (20-68 years)
* Business vintage of at least 2 years (upto PKR 1.00 Million) & 3 years (upto PKR 2.00 Million)
* Adequate Collateral – Gold (bar/ jewelry/ ornaments) acceptable to the Bank
* Valid Proof of income/ business with experience validation.

Documentation Required

Following are the list of required pre-approval documents:

* Prescribed BAFL Loan Application Form (LAF) cum BBFS
* Constitutional Documents:

1. **Sole Proprietorships:** proprietorship Declaration
2. **Partnership**: Latest/Valid Partnership Deed (along with amendments (if any)), Form C/D (whichever applicable) along with Partners’ Mandate**(**if applicable)
3. **Pvt Limited Companie**s: Memorandum of Association (MOA), Articles of Association, Certificate of Incorporation, Certificate of Commencement of Business (where applicable), Latest Form A & Form 29 along with updated list of directors & Board Resolution (as per Bank’s Format)

* Copy of Borrower’s CNIC (sole proprietor, partners, director (s))/guarantors)
* NTN Certificate / Verification of the business entity / stakeholders (where available)
* Copy of latest (last 3 months) paid utility bills (business and residence)
* Copies of latest Income Tax Returns or Wealth Statements or PNWS on Bank’s format (whichever applicable) of all stakeholders
* Proof of Business – Copies of permission/licenses for business (where applicable)
* Business/Personal Account Statement (last 1 year) at all banks (if available)
* Financing details at all banks (if applicable)
* Audited / In-House Financials as per SBP PRs**-**Admissible evidence of business cash flows (if available)
* Stock report
* Customer Undertaking of Ownership of Gold to be offered as Collateral
* Search report in case the applicant is a corporate entity
* Conduct report from previous lenders (only in case of over dues)
* ü  Business Activity / projected cash flow & debt burden report
* RM’s visit / GoldFin’s verification report
* CIB report along with Data Check Report

The above required document may vary from customer to customer and may be amended from time to time.

Registration Process

GoldFin staff will onboard customer through marketing campaigns by using their App/Website, Referrals, appointments. The walk-in customers will be guided by GoldFin staff. They will verify the provided information, handle customer’s queries and update missing information of customer as per the required documents.

FAQs

**1. What is Bank Alfalah Gold Loan (AGL)?**

Alfalah Gold Loan (AGL) is a secured financing against gold where the gold is pledged as collateral. It can be availed for business expansion, working capital/ purchase of asset, emergent business need and agriculture/ livestock.

**2. Who can get AGL?**

AGL is available to all individuals, irrespective of gender, who are managing Micro, Small and Medium Enterprises (MSME) and agriculture, aged between 20-68 years, own the gold to be pledged (self/close relatives) and can justify the income to repay their loans.

**3. What is the size of the loan?**

Customer can avail AGL facility form Rs. 500,000/- to Rs. 32,000,000/-. The value of the loan is subject to the assessed net value of the collateral and customers’ ability to repay.

**4. What is the criteria to avail AGL?**

AGL can be availed by any MSME entities, Business Individual, Agriculture Businesses and Agriculturists who has gold holding and has the capacity to repay, and meets the following criteria:-

* Valid CNIC.
* Copy of latest paid utility bills.
* Valid mobile number.
* Valid proof of income/ business with experience validation.
* Any other means which can validate customer’s business vintage.
* Adequate Collateral – Gold (bar/ jewelry/ ornaments) assessed by Bank’s panel shroff.

**5. What are the AGL variants, tenure and repayment modes?**

AGL is offered in following three variants to meet requirements of customers’ as per their business dynamics.

* **Bullet Loan** – up to 12, 24 & 36 months with repayment at the maturity.
  + For Agri customers: Up to 6 months for crop loans.

 However, markup payment on Monthly and/or Quarterly basis.

* **Equal Monthly Installments (EMI)** – up to 12, 24 and 36 months
* **Running Finance** –12 Months (renewable for maximum three years subject to satisfactory annual review by competent authority). Markup to be paid on Monthly or Quarterly basis.

**6. How to get AGL loan?**

Customer can reach us through

Website: [www.bankalfalah.com](http://www.bankalfalah.com/) & [www.goldfin.com.pk](http://www.goldfin.com.pk/)

Call Center:24/7 Bank Alfalah Call Center 111-225-111

Download:App from Google PlayStore / Apple AppStore

Visit: GoldFin Desk at Bank Alfalah, Akber Chowk Branch, Lahore

**7. What kind of gold needs to be pledged?**

Gold such as bar, jewelry and ornaments, can be pledged as collateral. The value of the loan will depend on the purity of the gold and on present value of its net weight equal to 24 karats. The value of gems, stones, lace and string will not be considered and only the value of the net weight of gold will be calculated.

**8. How the gold will be assessed?**

The gold will be only be assessed by the professional and experienced Shroff (saraf/ jeweler) who will have formal agreement with the Bank and GoldFin. He will check the purity of gold, determine gross weight and net weight of the gold and will declare present value of the gold in relation to the 24 karats value of gold. After the assessment, Shroff will issue a Shroff Certificate and will seal the collateral in the unique numbered tempered proof security bag. Once the bag is sealed, it will be signed and stamped by the Shroff and customer. The sealed bag is the assurance that the collateral has been secured in the condition as handed over at the time of sealing the bag. Once the loan is fully repaid, customer will be handed over his/ her collateral in its secured sealed position.

**9. How the Gold collateral will be secured?**

Once the Shroff Certificate has been issued and gold is secured/ sealed in the security bag, it will be reviewed for the strength and validity of the security by the GoldFin gold expert, if satisfied it will be double sealed in another temper proof security bags in the presence of the customer, who will authenticate and confirm his/ her satisfaction in the process by signing on the second bag. Then, the bag will be taken over by the Bank for safe custody in their respective vault. The pledged gold will be insured for its accepted collateral value to cover situations of threats to collateral like; mishandling, fraud or theft.

**10. How much loan amount I can get against the value of my gold collateral?**

The loan amount will be determined against the present market value of the net weight (24 Karats) of the gold collateral after taking into account the market fluctuations that may affect the price of the gold in future with relative impact on the loan amount and other charges.

**11. How quickly gold loan is approved?**

The process has two distinct streams, loan approval and account opening.

* For loan approval, customer has to qualify for AGL as per defined criteria, once the loan is approved, customer will be requested to bring his/ her gold collateral for the assessment.
* In parallel, the customer has to go through the process of account opening with the Bank as per SBP regulations, including biometric verification and completion of required documentation.
* Once the account is opened, the loan will be disbursed in the customer bank account or through banker’s cheque.

**12. Can loan be paid before its maturity? And is there any charges on early repayment?**

The option to pay-back the loan amount before its maturity is available. There will be a charge as defined in policy or through circular issued from time to time.

**13. What will happen if Gold Loan is not paid?**

The customer is expected to have adequate financial means to repay the loan and that is an important condition at the time approval. Now, the customer condition fails to service the loan, the Bank will give adequate warnings for repayment of outstanding dues, failing which the Bank has the right to sell / auction the gold collateral and recover the entire loan amount (principal, markup and other charges) and thereafter the excess amount will be credited in the customer’s account.

**14. What are the charges of assessment of Gold?**

There are nominal charges of assessment of gold which are agreed with the panel shroff/s. The gold assessment fee will be directly paid to the Shroff in his account maintained with Bank Alfalah Limited by the customer.

**15. What charges are involved in the processing of AGL?**

Processing Fee will be charged as per below details:

* 1% of approved limit or Min. Rs. 10,000 whichever is lower – for fresh loans.
* 0.5% of approved limit or Min. Rs. 5,000 whichever is lower - rollover and repeat (within 6 months).