REQUEST FOR EXPRESSIONS OF INTEREST

(CONSULTING SERVICES - FIRM SELECTION)

DEVELOPMENT FINANCE PROJECT

DBN Development Bank of Nigeria RC 1215724

...Financing Sustainable Growth

ASSIGNMENT TITLE: NIGERIA – GAP ANALYSIS OF BASEL II & III (INDEPENDENT 3RD PARTY ASSURANCE) AND AUTOMATION OF THE STRESS TESTING PROCESS.

REFERENCE NUMBER: NG-DBN-289282-CS-CQS

The Development Bank of Nigeria (DBN) has obtained a loan from the International Bank for Reconstruction and Development (IBRD) and intends to apply part of the proceeds of this loan to engage a qualified consulting firm to perform a review of the Development Bank of Nigeria's level of compliance with the requirements for BASEL III implementation, identify the gaps and work to close the identified gaps in line with regulatory requirements.

The Central Bank of Nigeria (CBN) has developed and issued guidelines for Basel III implementation by all Banks in 2020. However, due to the outbreak of the COVID-19 pandemic, the implementation was suspended to minimize the regulatory compliance burden on the Banks. Following the gradual global economic recovery, the CBN released the following guidelines for implementation:

1. Guidelines on Regulatory Capital.
2. Guidelines on Leverage Ratio (LeR).
3. Guidelines on Liquidity Coverage Ratio.
4. Guidelines on Liquidity Monitoring Tools (LMT).
5. Guidelines on Large Exposures (LEX).
6. Guidelines on Liquidity Risk Management and Internal Liquidity Adequacy Assessment Process (ILAAP).

The Consultant is expected to perform a review of DBN's compliance to the above guidelines.

The DBN also has in place, an excel based Stress Test Model which is used to estimate the Bank's likely losses under adverse conditions and enables the Bank to be better prepared for such unforeseen situations. The Consultant shall perform a review of the Stress Testing Framework and Automate the Stress Testing Process for the Bank.

The broad scope of work for the assignment includes the following:

A. GAP Analysis of Basel II and III:

a) Define and engage key stakeholders, define project governance, and set up the project steering committee.

b) Map all stakeholders' requirements, review criteria for the project.

c) Develop associated project plan, in alignment with the PMOs overall project plan.

d)Determine best approach for the review and define KPIs for project implementation.

e) Develop the required reporting templates for Basel III

- Reporting template for Capital Adequacy (TR-GCAR/TR-SCAR)
- Reporting template for Leverage Ratio (TR-LeR)
- Reporting Template for Liquidity Coverage Ratio (TR-LCR)
- Reporting Template for Liquidity Monitoring Tools (TR-LMT)
- Reporting Template for Large Exposures (TR-LEX)

B. Automation of the Stress Testing Process:

The broad scope of work will include the following:

a) Carry out a Gap Analysis of the DBN Stress Testing Framework, close identified gaps and update the framework in line with leading practices

b) Automation of the Stress Test process through the design and development of a system for the stress test model.

c) Perform a System quality test which will be approved by the Bank, and thereafter handover of the system to the Bank.

d) Carryout a training session on System usage for the Bank.

Details of the above outlined Services are described in the terms of reference which can be found on DBN's website at the following link **bit.ly/GAPBaselTOR**

The DBN invites eligible consulting firms ("Consultants") to indicate their interest in providing these Services. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform these Services.

The minimum shortlisting criteria are:
The Firm must have proven experience to deliver the services outlined in the Scope of Work and should show evidence of the following:

I. Evidence of at least 10 years' of experience in implementing regulatory standards and developing risk and capital management solutions for at least three (3) top Financial Institutions. The experience should include Basel II & III implementation and automation of Stress Test processes.
ii. Evidence of at least five (5) years' demonstrated experience with the successful development and implementation of similar process automation projects for top financial institutions.
iii. Documented evidence of carrying out automated stress testing framework in at least two (2) Finance institutions in the last ten (10) years.
iv. Documented evidence showing experience in system quality testing within the financial industry in the last five (5) years.

In response to items 1-3 above, interested consultants are expected to provide copies of letters of award as documentary evidence. while for item 4, interested consultants are expected to provide a list of similar assignments executed including a brief description of the scope of the projects, the dates of implementation, budget, and the funding organization.

The attention of interested Consultants is drawn to paragraph 1.9 of the World Bank's Guidelines: Selection and Employment of Consultants under IBRD and IDA Credits & Grants by World Bank Borrowers, May 2011, revised in July 2014 ("Consultant Guidelines") setting forth the World Bank's policy on conflict of interest. Consultants may associate with other firms in the form of a joint venture or a sub-consultancy to enhance their qualifications. Each member of a Joint venture firm shall be reasonably qualified to undertake the assignment in case of withdrawal by any of the members.

A Consultant will be selected in accordance with the Consultant Qualification Selection method set out in the Guidelines.

Further information can be obtained at the contact information below during office hours [0900 to 1700 hours Monday- Friday, local time].

Expressions of Interest must be submitted electronically to the following email address: piu@devbankng.com
cc: audit@devbankng.com
cc: procurement@devbankng.com

Addressed to:
The Project Coordinator
Development Bank of Nigeria (DBN)
The Clan Place,
1386A, Tigris Crescent
Maitama, Abuja,
Nigeria.

All Expressions of Interest must be a maximum of fifteen (15) pages.

Submission Deadline: August 8, 2022