DAHABSHIIL BANK INTERNATIONAL
AND
EAST AFRICA BANK

OPEN FOR INTERNATIONAL COMPETITIVE BIDDING

EXPRESSION OF INTEREST

FOR

For the supply, implementation, testing and commissioning of an Islamic Core Banking system.

TENDER NO: DBI/EAB/2019/001

MAY 2019

Contents

1. BACKGROUND

Dahabshil Bank International (DBI) and East African Bank (EAB) wish to jointly acquire a Sharia compliant core-banking system for their operations. DBI and EAB are part of the Dahabshiil Group.

About Dahabshil Bank International

DBI was founded in 2012 and is headquartered in Hargeisa, Somaliland. DBI mainly operates in Somalia and Somalia. The bank provides both retail and commercial banking services and financing facilities earmarked for the local financial, livestock, agriculture, health, education sectors, etc. DBI has 15 branches and a number of sub-branches.

About East African Bank

East Africa Bank S.A. is a commercial bank which started its operations in April 2010. The bank is headquartered in Djibouti. The Bank was established to deliver the highest standards of banking services in line with the highest standards of Sharia principles; offering a broad range of products designed for individuals and small businesses as well as large corporations. The bank also offers advisory services such as project structuring and financial planning. EAB has 3 branches and a 5 sub-branches (Satellite).

2. OBJECTIVES

The overall objectives of the project are as follows:-

- Ensure compliance to Sharia and government regulations;
- Enhance efficiency in the bank's operations;
- Help in prevention of fraud and thefts through such modules as Anti-Money Laundering and real-time banking facilities;
- Reduce operational and support costs;
- Facilitate decision-making through reporting and analytics;
- Increase customers' loyalty by promoting convenient and easier banking.
- Enhance quick and accurate implementation of policies.
- Aid in central management of customer and transactional data.
- Enhancing electronic transactions with other financial institutions.
- Increased speed in working resulting in more business opportunities and reduction in penalties and legal expenses.

3. REQUIRED SOLUTION FEATURES

The proposed solution must be secure, able to handle large volume of data, be stable at all times and allow access and use by multiple users concurrently and have auto-backup and recovery and restore features. It must also be able to integrate into different user operating system platforms (Windows, Linux etc.), be upgradable and have support solution options. The solution must also be able to be archived in a data warehouse from where subscribed users can be able to mine data for analytics and reporting purposes as may be desired by the user.

Proposed core banking system should meet the following characteristics:

1) The system must be sharia compliant web-based system with:
   - Multiple sharia contract offerings.
   - Contract parameterization guided by guided specific contracts.
   - Profit calculation ability for unrestricted investment accounts.
2) Product based system with ability to track performance at product, contract and segment level.
3) The system should be able to perform day to day branch banking activities:
   - Customer management with ability to upload all KYC documents, customer relation management and single customer view capabilities.
   - Account management with ability to create;
     - Minimum and operating balances.
     - Sweep options
     - Migrate accounts under same class e.g. saving to savings only
   - Cheques processing and transfers.
   - Product setup,
   - Vault management etc.
4) The system should support deposit and financing products:
   - Deposit products e.g. current accounts, saving accounts, investment deposits etc.
   - Financing products e.g. personal financing, trade financing, working capital financing, credit cards etc.
5) Allow easy configuration of new products each with specific product, codes, categorisation and proper reporting lines.
6) Ability to perform risk assessments based on various scenarios.
7) Ability to perform Management Information System (MIS) functionalities and analytics, to produce dashboards and reports, downloadable in various formats.
8) Ability to perform transaction monitoring and produce alerts based on static and dynamic rules including AML/CFT validations.
9) A business intelligence solution to allow preparation of reports and allow detailed drill down and analysis of exceptions/outputs.
10) The system should be able to support the following channels;
   - Agency banking.
   - Mobile banking.
   - Internet banking.
   - Social marketing.
   - ATMs.
11) Ability to integrate the system with other third-party applications with non-proprietary integration. Easy to create sub branches, market segments and cost centres.
12) The system should have best of class security controls for identification of customer e.g. biometric access and encryption of data to safeguard customer data.
13) It is imperative that activities in the system account for segregation of duties by at least two or more authorized personnel.
14) Support fixed asset management.

15) Financial reporting; trial balance, income statement and statement of financial position with a design and customization option.
16) Support treasury with multi-currency operations and revaluations capabilities.
17) Daily accrual of income with suspension capabilities and accrual of fees and commission and suspension.
18) Tracking of incomes and costs at various levels segments all linked to respective general ledgers.
19) Support credit management by having:
   - Work flows
   - Collateral management
   - Financing management
   - Aging of facilities, classification and provisions with ability to send Email and SMS alerts.
   - Computation of probability of default, exposure at default, loss given default and expected credit losses

4. SUBMISSION FORMAT, CLARIFICATIONS AND RESPONSE

a) Submission format:

Expressions of Interest should be clear, concise. The response must contain the following:

- Indicate whether the respondent intends to respond alone or in a joint venture. In case of a joint venture, clearly indicate the proposed responsibilities of each partner.
- A detailed response on how the respondent/proposed solution will meet each of the required solution features in section (3).
- An estimation of time required for the implementation of the core banking system for DBI and EAB;
- A brief profile of the respondent (no more than 3 pages).
- Details of experience in implementations of at least 3 core banking systems of similar nature within the last 10 years with at least one being a sharia complaint implementation; include name of clients, location, duration, description of assignments, the value of services/cost of implementation/software and respondent's role in the assignment. **Respondents must submit the responses as per the template in Appendix A.**
- Profiles of key staff that would be available to carry out on the assignment, including academic qualifications, experience in similar projects in similar countries and proficiency in speaking, reading and writing in English; **Respondents must submit the responses as per the template in Appendix B.**
- Project team organization specifying different roles and their responsibilities;
- A high-level project plan specifying high level activity, their duration, responsibilities, and efforts required per activity, sequence of activities and inter-dependencies, and major milestones; and
- Audited financial statements for the respondent for the latest 3 years.

b) Clarification and responses:

- Respondents who intend to respond should write to procurement[at]dahabshilbank.com indicating the intention to participate.
  - The EOI must be prepared in English.
- EOI must be submitted to DBI Procurement Manager via email procurement[at]dahabshilbank.com to reach DBI no later than 25 May 2019 at 5pm East Africa Time. For ease of reference, the subject on email should be: **Expression of Interest for the supply, implementation, testing and commissioning of an Islamic Core Banking system.**
  - Emails larger than **15MB** should be divided into multiple email streams, each clearly labelled with a sequential reference for example EMAIL 1 of XX.
  - EOI respondents are required to use the prescribed response format and template (see Appendix section) when preparing their responses.
  - The format of the submission should be in PDF.
  - Respondents who fail to adhere to the below instructions may be eliminated from the EOI evaluation process, and all other subsequent system selection and evaluation processes that will be undertaken.
- Requests for clarifications should be submitted in writing by way of email to procurement [at]dahabshilbank.com. DBI will not be liable for any delayed clarification requests sent beyond the stated deadlines. Deadline for submission of clarification requests is 20 May 2019 at 5pm East African Time.
  - We shall endeavour to respond to all clarifications, by way of an email circulated to all invited participants (without disclosing identity of who raised clarification request).
  - Successful respondents will be invited to respond to a request for proposal no later than 7 calendar days after submission of the EOI.

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5. APPENDIX A: COMPANY'S EXPERIENCE TEMPLATE

Country:	**Duration of assignment(Months):**
Location within country:	**Total Number of staff-months of the assignment:**
Address:	**Approx. value of the services provided by your firm under the contract (US$):**
Start date (Month/year): **Completion date (Month/year):**	**No of professional staff-months provided by associated consultants:**
Name of associated consultants, if any:	**Name of senior professional staff of your firm involved and functions performed (indicate significant profiles such as Project Director/Coordinator, Project Manager, and Module Leads etc.).**
Name and version of the core banking system implemented: **Sharia compliant? Yes/No**	**Modules implemented:**
Narrative description of the project:	
Description of actual services provided by your staff within the assignment:	

6. APPENDIX B: STAFF PROFILE TEMPLATE

Consultant's name			
Name of Firm (Employer)			
Profession			
Years of experience		Nationality	
Educational and professional qualifications			
Proposed role in the project			
Experience in similar projects	Name of assignment:		
	Position Held		
	Activities performed		
	Year:		
	Location:		
	Client		
	Major Project Features		