



Invitation to Expressions of Interest (EOI) for the engagement of a strategic investor in the partial privatization of the People's Own Savings Bank by the Government of Zimbabwe



Introduction

- The Government of Zimbabwe (“GoZ”) intends to engage a strategic investor in a partial privatization of the People’s Own Savings Bank (“POSB”), a savings Bank licensed and supervised by the Reserve Bank of Zimbabwe (“RBZ”) by offering up to 29% shareholding available through the private placement of the Bank’s equity share capital (“the Transaction”).
- The private placement will be followed by an initial public offering (“IPO”) of up to 20% shareholding of the Bank to diversify the shareholder base and improve the liquidity of the shares. Accordingly, the Government of Zimbabwe (“GoZ”) will hold 51% equity stake post the partial privatization as provided in the People’s own Savings Bank Act.
- KPMG Advisory (Private) Limited are the financial transaction advisors for the engagement of a strategic investor in respect of the partial privatization of the People’s own Savings Bank.

Company overview

- The People’s Own Savings Bank (“POSB” or “the Bank”), formerly Post Office Savings Bank was established in December 1904 and commenced operations through the Post Office infrastructure network in January 1905.
- POSB offers a wide range of financial services and products including savings, investments, personal and corporate loans, mortgages, international remittances, trade finance, etc.
- The Bank operates through a network of 32 branches with presence in key commercial cities and utilizes several electronic channels including internet banking, mobile banking, etc.
- As at 31 December 2022, the Bank had total assets of ZWL38.1bil/US\$56.8mil, customer deposits of ZWL21.3bil/US\$31.7mil and total equity of ZWL13.5bil/US\$20.1mil.

Request for Expression of Interest

MoF hereby invites potential investors to express interest in acquiring up to 29% shareholding in POSB.

Interested parties should indicate their interest by submitting an Expression of Interest (“EOI”) with the following documentation and information (In the case of a consortium, please provide the relevant information for each consortium member) :

- Description of the acquiring entity or vehicle with evidence of registration or incorporation;
- Ownership of the acquiring entity or vehicle, identifying all shareholders with a 5% or more stake;
- Business profile of the acquiring entity including any affiliates (i.e. parent company, subsidiaries, associates) covering nature of business, country of operations;
- Strategic rationale for the investment in POSB;
- Relevant financial services industry experience and/ or demonstrable evidence of ability to manage a bank of this nature;
- Evidence of financing capacity;
- In the case of a consortium, kindly provide evidence of alliance/partnership/joint venture between members in the consortium, clearly indicating the lead member authorized to submit the EOI;
- Indication of the level of shareholding to be acquired;
- Full name(s) of contact person (s), email addresses and telephone numbers;
- Latest audited financial statements; and
- Any relevant information that demonstrates credibility and eligibility for the Transaction.



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Evaluation criteria

Upon receipt of the Expressions of interest, they will be evaluated using the following criteria:

Evaluation criteria		Points
Investor profile	Profile of the prospective investor	25
	Shareholding structure	10
Financial	Investor financial statements	35
	Other holdings	10
Investor horizon	Investor horizon	10
Required shareholding	Required shareholding	10
Total points		100

Following evaluation of the Expressions of Interest, a shortlist of potential investors, who in the MoF's view are deemed to be fit and suitable will proceed to the first phase of the Transaction. Shortlisted investors will be contacted and advised on next steps.

Contact person

Potential investors are required to submit their Expressions of Interest in English and titled "Expression of Interest in the Partial Privatisation or POSB". The EOI should be sent not later than 5:00pm (Zimbabwean time) on 13 October 2023 :

Electronically to ZW-FMProjectAves@kpmg.com; and

Hard copies should also be delivered to:

Attn: **Michael De Beer**
 Director, KPMG Advisory (Private) Limited
 Old Mutual Gardens
 100, The Chase, Emerald Hill
 Harare
Office: +263 4 303 700

For further clarification or enquiries, prospective investors can contact the contact person stated above.

